

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	03/08/10	Open	Action	02/23/10

Subject: Hold a Public Hearing to Consider Service Reductions in Light of a Fiscal Emergency

ISSUE

Providing the public with the opportunity to comment on a fiscal emergency and the service reductions that may be necessary to address that situation.

RECOMMENDED ACTION

Accept public comment. The purpose of the hearing is to provide information and public comments for the Board of Directors to consider in deciding upon potential strategies for reducing transit service.

FISCAL IMPACT

There is no fiscal impact from holding a hearing.

DISCUSSION

The RT Board of Directors at its last meeting approved a public hearing to be held on March 8, 2010, to consider service reductions. The hearing is to address the service reductions necessary to address a condition of fiscal emergency under Public Resources Code Section 21080.32.

Staff has examined a wide variety of possibilities with the view of addressing as much as a \$25 million shortfall in revenue expected between now and the end of FY 2011. This shortfall remains after implementation of several labor and non-labor cost reduction measures.

Service Reduction - To address the projected funding shortfall, staff examined a wide variety of service reduction options. Starting with the Board-adopted productivity standard, which could provide as much as \$2.0 million in net savings, and ending with a "bare bones" network scenario of 27 bus routes, which would achieve an \$18.7 million net cost reduction. In each of these cases, the net savings reflects lost fare revenue due to decreased boardings. Table 3 presents an abbreviated list out of fifteen options that were considered. In addition, the two productivity-based reduction options, A and A2 are provided in Attachment 1 to identify the bus routes that may be affected.

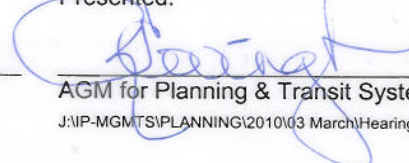
Please note, the Americans with Disabilities Act (ADA) requires that complementary paratransit service be provided within 3/4 of a mile of a fixed route, and during the system hours of operation, thus providing equal access to transportation. In calculating the net savings, it has been assumed that paratransit service would be reduced when a whole route was eliminated, or when a whole block of service was eliminated, such as evenings or weekends.

Approved:



General Manager/CEO

Presented:



AGM for Planning & Transit System Development

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Option	Bus Rev. Veh. Hrs. Eliminated	LRT Train Hrs. Eliminated	Operator Positions Eliminated	Net Savings per Fiscal Year
A Board Adopted Standard	54,690	0	34	\$2,317,297
A2 A + 70% of Systemwide Avg.	114,312	0	72	\$5,030,150
B Cut service after 8:00 pm	31,522	8,869	24	\$1,446,198
C Cut all weekend service	88,858	22,565	79	\$8,519,017
D Reduce Neighborhood Ride	25,227	0	17	\$1,822,742
F Option A + B + C	195,860	30,426	138	\$12,280,560
G Option A + B + C + D	211,435	30,426	150	\$14,269,551
H Option A2 + C + D	192,510	22,565	146	\$14,444,783
X Bare Bones System	284,941	22,565	208	\$18,730,754

Option A, the Board-adopted standard, eliminates routes that fall below 70 percent of their group averages for passengers per revenue hour. Option A2 adds to option A the routes that fall below 70 percent of systemwide average passengers per revenue hour. This is a more stringent standard that roughly doubles the extent of the service reduction. Option B eliminates bus and light rail service after 8:00 pm throughout the week. Option C eliminates all weekend service. This option would also reduce the level of ADA paratransit service. Option D would eliminate all neighborhood ride routes failing the performance standard, except for two routes that are operated on contract. The remaining options are combinations of the preceding, as indicated in the table. Option X is the result of creating a network out of the light rail system and the 27 most productive bus routes in the system.

Revenue - There is some possibility of additional revenues being provided through the State budget process or Federal legislation (see Table 2). Part of the funding could come from the State tax swap arrangement, which would put \$400 million into the Public Transportation Account in 2010-2011. RT would receive approximately 2.77 percent of this amount, or \$11.8 million. The CNG rebate is under discussion in the U.S. Congress, with the possibility that it could be applied retroactively to January of 2010. This would add a further \$2.25 million. Finally, the next round of Federal stimulus funding, also known as ARRA-2, could make up to \$3 million available for operating costs, and an additional \$10 million for preventive maintenance.

	2009-2011	Balance
RT Shortfall 2010		(\$25 million)
STA from budget	\$11.8 million	(\$13.2 million)
CNG Rebate	\$2.25 million	(\$10.95 million)
ARRA-2 stimulus	\$13.0 million	\$2.05 million

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None of the possible future revenue sources have been guaranteed as of this report.¹ The STA from the State budget negotiation includes an ongoing revenue source from the existing fee on diesel fuel. This would be usable for transit beginning in FY 2012.

Environmental Justice – This is a major action, as defined in RT Board Resolution #94-09-2214, and thus governed by the requirements of Federal Transit laws including Title VI – an Environmental Justice Assessment.

Staff has begun to examine the likely impacts of the service reduction scenarios outlined above, and found that, if implemented, certain options would have a discriminatory impact. That is, they would affect minority, low-income, and other disadvantaged households more than they would the average population. This would be primarily due to elimination of bus routes while retaining light rail service. Many of the bus routes serve census tracts that contain higher proportions of disadvantaged and minority populations as compared with the light rail service. Consequently, staff identifies options C, F, G, and H as being likely to have the least disparate impact on any segment of the population. Option X, the bare bones system, could have disproportionate impact on disadvantaged populations as compared with the overall population in the RT service area. A final report and finding will be completed for Board adoption at the public meeting of March 22, 2010. Preliminary analytical maps, showing Options A and A2, are included in Attachment 1.

California Environmental Quality Act Statutory Exemption – Public Resources Code Section 21080.32 provides an exemption from California Environmental Quality Act compliance for service reductions resulting from a declared fiscal emergency.

Air Conformity – Under Board-adopted standards, the proposed service reductions will affect more than 5 percent of the system as a whole, as well as more than 25 percent of any route or the ridership on such route. Consequently, staff projects that service reductions may have significant economic impacts due to job losses, increased congestion, and transportation costs; as well as increases in automotive travel. This level of service reduction may increase emissions of criteria pollutants to such levels as to affect the Sacramento region’s compliance with the State Air Quality Implementation Plan (SIP) of January 22, 2009. This would prevent expenditures from Federal funds to advance capacity expansion projects under the Metropolitan Transportation Plan until such time as the plan could be amended to return the region to conformity. The next milestone year in the current SIP is Fiscal 2011.

¹ There is also the possibility of a gasoline and diesel fee that could be implemented at the Regional level. This revenue source could generate as much as \$6.6 million for each 1-cent per gallon fee in Sacramento County.

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Conclusion

Staff seeks the public's comments on the service reduction options presented here, and requests that the Board consider these comments and the staff report in formulating a service reduction plan. With direction from the Board, staff will return on March 22, 2010, to present a final service reduction recommendation for Board adoption. At that time, the Board will also determine whether a fiscal emergency exists for purposes of the California Environmental Quality Act. This service reduction plan will be implemented on June 20, 2010.

Option A – Board-adopted Productivity Standard

Attachment 1

Failing Routes

MONDAY-FRIDAY

Route	Daily Boardings	Revenue Hours Per Day
6 - Land Park	559	37.8
10 - Carmichael	100	14.47
36 - Folsom Blvd	188	12.6
50E - Stockton Blvd	641	41.9
63 - 24th St/Hogan	172	12.8
73 - White Rock	196	20.6
74 - International	240	21.1
94 - Citrus Hts/Auburn Blvd	66	11.7
95 - Citrus Hts/Antelope Rd	70	11.83
107 - Greenback Express	36	2.1
141 - 3rd/16th Shuttle	110	11.7
200 - Florin/Freeport	28	1.0
201 - S. Land Park	4	0.9
210 - La Riviera	3	1.1
226 - Pocket/Riverside	51	1.7
251 - Freeport/Fruitridge	16	0.5
261 - La Riviera/Rosemont	51	1.8
DAILY TOTAL	2,531	206
ANNUAL TOTAL	642,816	52,225

SATURDAY

Route	Daily Boardings	Revenue Hours Per Day
65 - Franklin South	128	9.0
74 - International	106	11.4
54 - Center Pkwy	138	16.4
DAILY TOTAL	372	37
ANNUAL TOTAL	19,322	1,913

SUN/HOL

Route	Daily Boardings	Revenue Hours Per Day
34 - McKinley	55	9.4
TOTAL	55	9
ANNUAL TOTAL	3,237	552

Option A2 – Additional Routes Based on 70% of Systemwide Average

Mon-Fri

8 - Power Inn - Florin Mall
9 - Carmichael - Walnut Ave
16 - Del Paso Hts - Norwood
18 - Del Paso Hts - Bell Ave
20 - Cottage
24 - Madison - Greenback
28 - Fair Oaks - Folsom
34 - McKinley
47 - Phoenix Park
75 - Mather

Saturday

8 - Power Inn - Florin Mall
13 - Northgate
16 - Del Paso Hts - Norwood
24 - Madison - Greenback
28 - Folsom Blvd
34 - McKinley
47 - Phoenix Park
61 - Fruitridge
62 - Freeport
75 - Mather

Sun/Hol

8 - Power Inn - Florin Mall
13 - Northgate
14 - Norwood
75 - Mather

June 2010 Proposed Service Changes

RoseMary Covington
AGM/Planning & Transit System Development
March 8, 2010

Outline

- Financial Targets for Service Reductions
- Options Considered
 - Productivity-based
 - Whole blocks of service
 - Combinations of these
- Title VI Considerations
- Environmental Considerations

Fiscal Targets

Table 2 – Potential Revenue Sources

	2009-2011	Balance
RT Shortfall 2010		(\$25 million)
STA from budget	\$11.8 million	(\$13.2 million)
CNG Rebate	\$2.25 million	(\$10.95 million)
ARRA-2 stimulus	\$13.0 million	\$2.05 million

Summary of Options Revised

Table 2 - Subset of Service Reduction Options for 2011

Option	Bus Rev. Veh. Hours Eliminated	LRT Train Hrs. Eliminated	Operator Positions Eliminated	Net Saving
A. Board Adopted Standard	54,690	0	34	\$2,003,791
A2 A + 70% of System-wide Avg.	114,312	0	72	\$5,030,512
B. Cut service after 7:00 8:00 pm	55,016	8,299	25	\$2,273,521
C. Cut all weekend service	88,858	22,565	79	\$7,300,667
F – Option A + B + C	195,860	30,864	138	\$12,977,690
G – Option A + B + C + D	211,435	30,864	150	\$14,534,820
H – Option A2 + C + D	192,510	22,565	146	\$13,181,675
X Bare Bones System	284,941	22,565	208	\$17,135,807

Options Considered

- Performance-based (Options A, A2)
- Blocks of Service (All evening, all weekend)
- Combinations of Service – (Performance plus Evening or Weekend)
- A minimal network option of light rail plus 27 high-performing routes

Title VI Considerations

- Required by Federal Regulations
- Examine impacts on minority and disadvantaged populations
- Inform such populations of impending changes
- Minimize the effects of these changes as much as possible

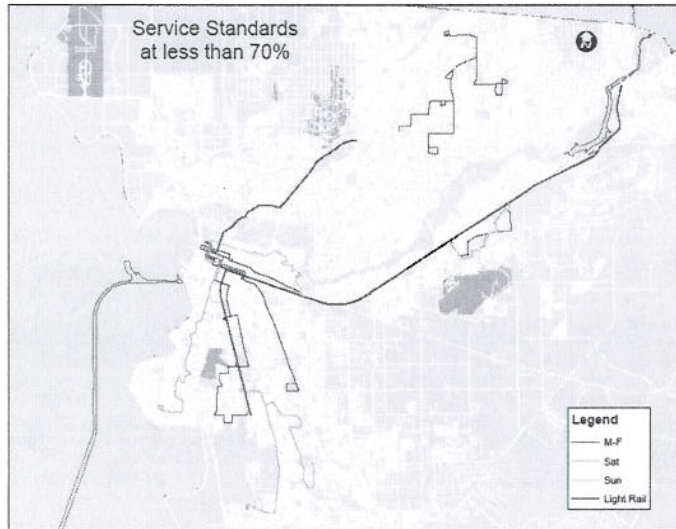
Title VI Considerations (cont.)

- Service changes are major – RT Board Resolution 94-09-2214
- Some service changes would have disparate impacts on minority and disadvantaged populations
- Staff has structured route selections to minimize impacts
- The extent of changes will have unavoidable negative impacts, but these will be equally imposed on all segments of the RT service area.

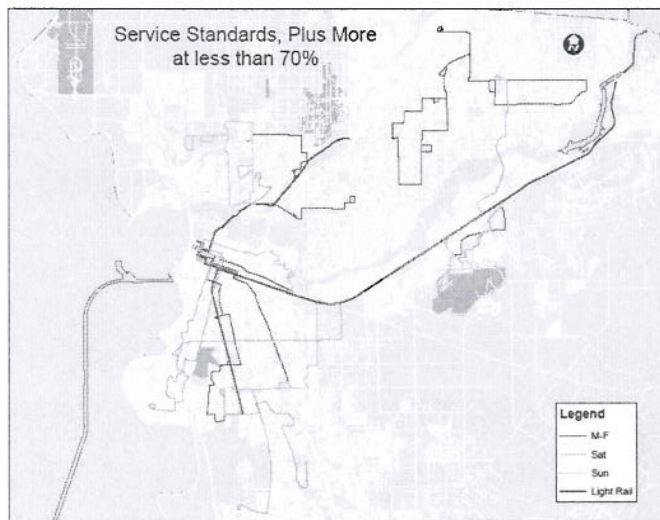
Environmental Impacts


- NEPA does not require environmental assessment. PRC 21080.32 provides a statutory exemption from CEQA
- Potential environmental impacts include air quality, noise, health, and highway congestion
- Air Quality impacts may force Sacramento out of compliance with the State Air Quality Implementation Plan (SIP), placing Federal funding for expansion projects at risk

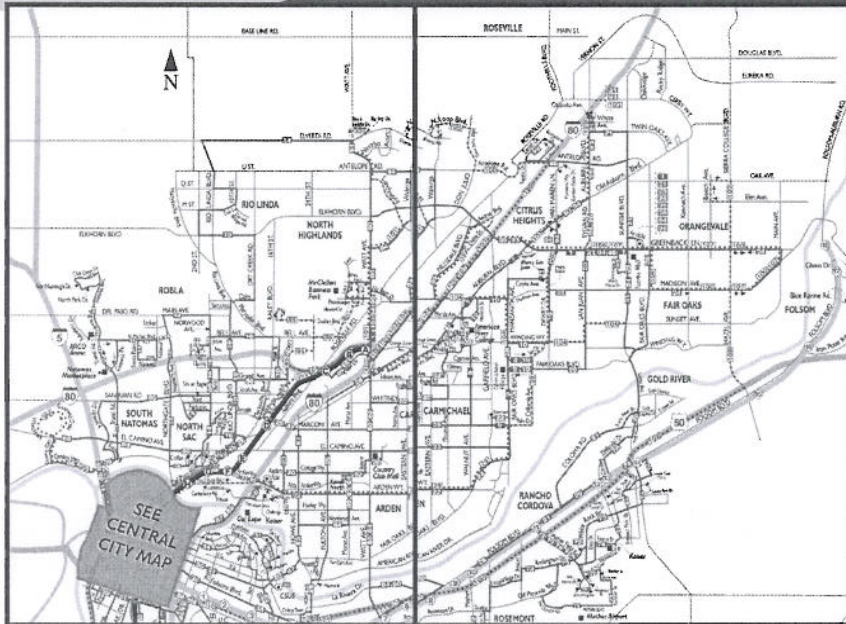
Option A




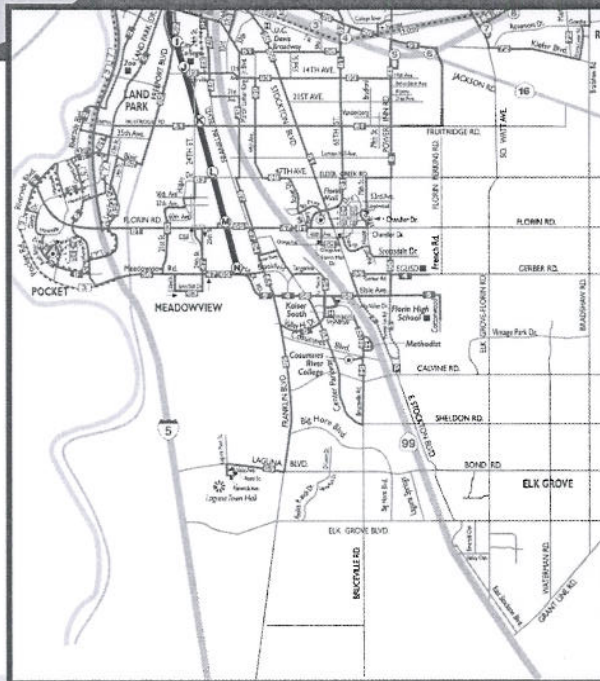
Option A2













 Regional Transit







 Regional Transit



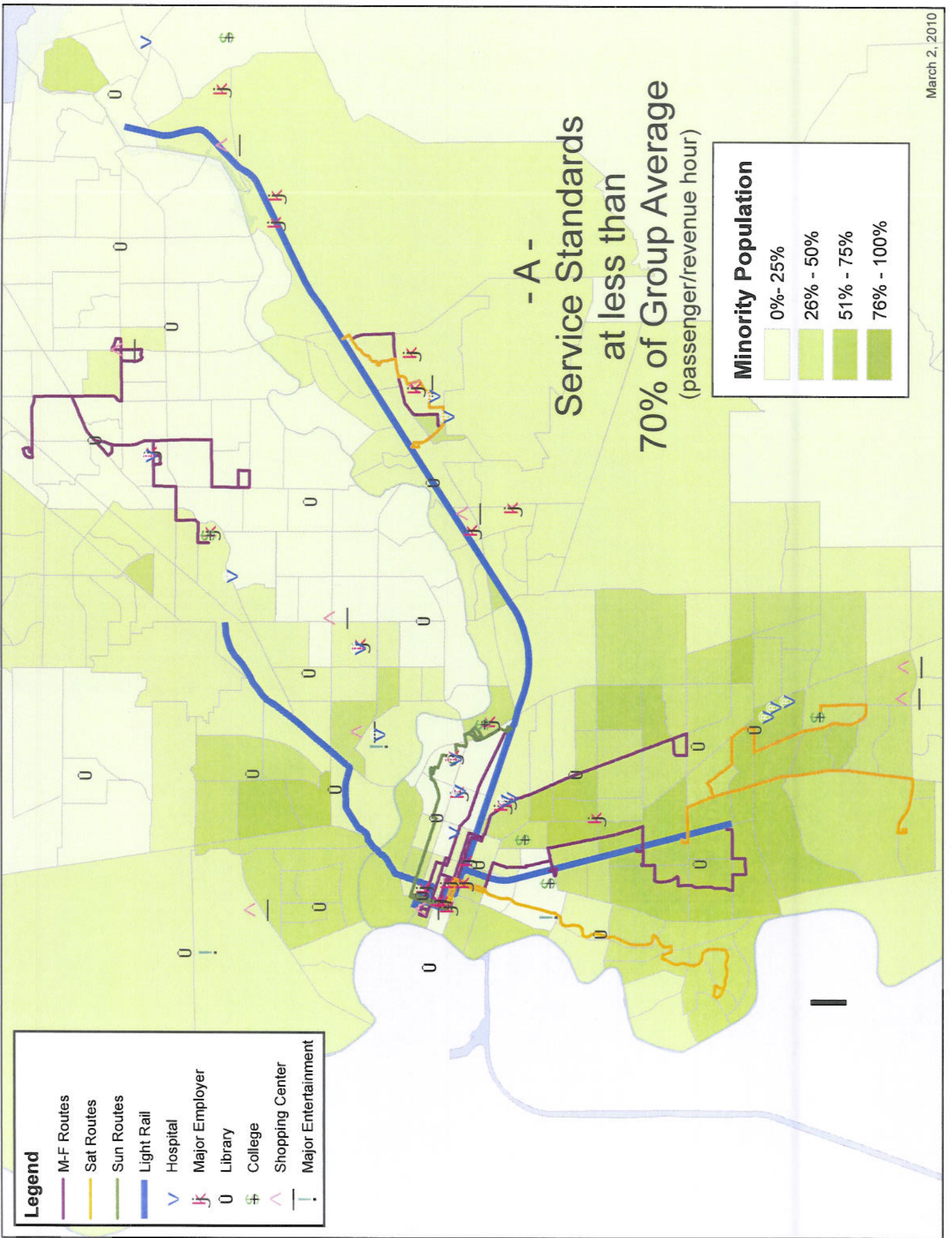
Legend

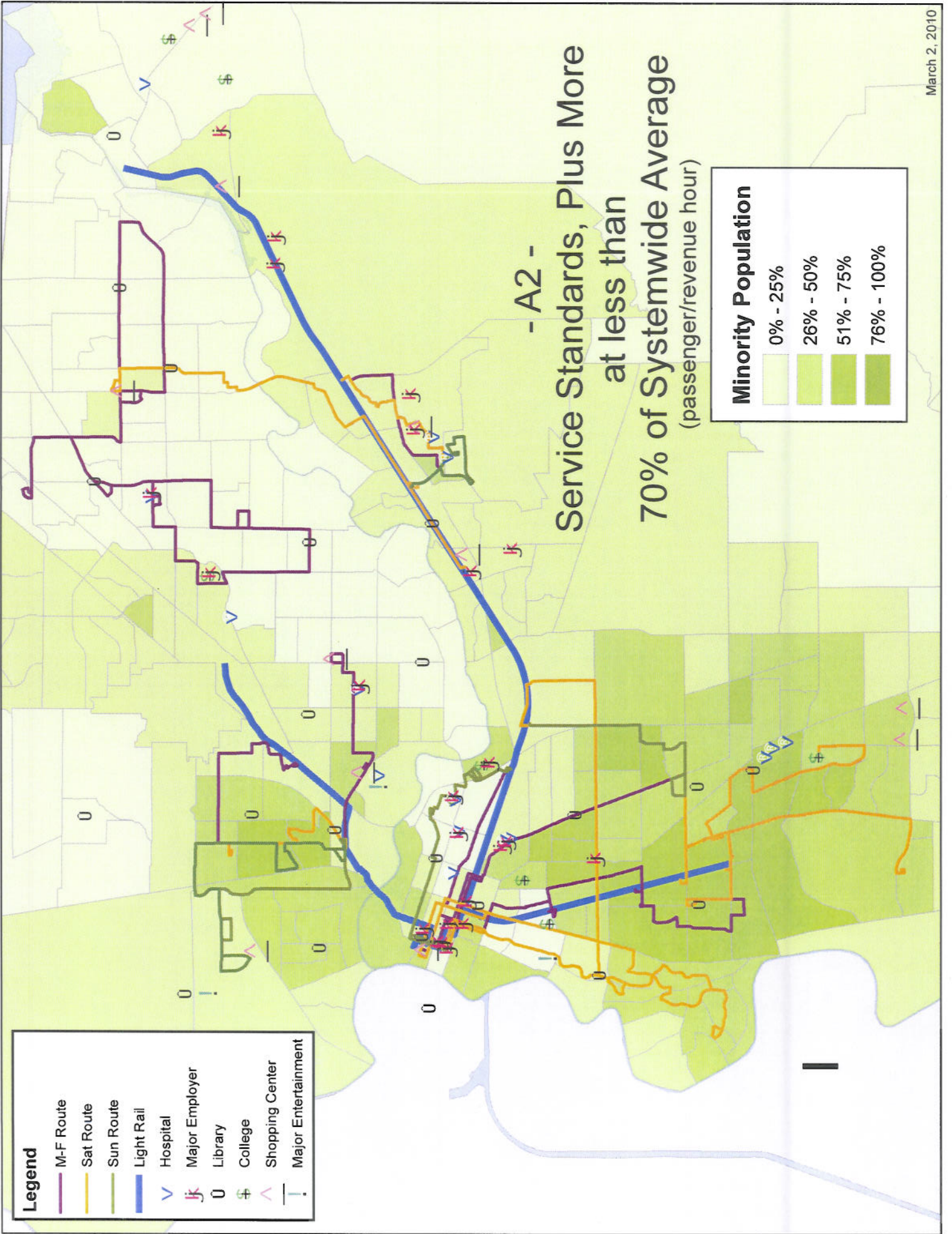
-  M-F Routes
-  Sat Routes
-  Sun Routes
-  Light Rail
-  Hospital
-  Major Employer
-  Library
-  College
-  Shopping Center
-  Major Entertainment

Minority Population

	0% - 25%
	26% - 50%
	51% - 75%
	76% - 100%

- A -
 Service Standards
 at less than
 70% of Group Average
 (passenger/revenue hour)





Legend

- M-F Route
- Sat Route
- Sun Route
- Light Rail
- Hospital
- Major Employer
- Library
- College
- Shopping Center
- Major Entertainment

Minority Population

- 0% - 25%
- 26% - 50%
- 51% - 75%
- 76% - 100%

- A2 -
 Service Standards, Plus More
 at less than
 70% of Systemwide Average
 (passenger/revenue hour)