



April 6, 2022

The Honorable Nancy Skinner
Chair, Senate Budget and Fiscal Review Committee
1020 N Street, Room 502
Sacramento, CA 95814

Re: Budget request to encourage a regionally coordinated approach to free and reduced transit fare programs

Chair Skinner & Senate Budget Committee:

We represent the San Francisco Bay Area stakeholder groups that have been most active over the past two years in working alongside transit agencies and MTC through regional task forces and inter-agency studies to develop a plan for public transit recovery in the Bay Area.

We welcome the identification of funding for transit in Governor Newsom’s recently announced proposal to allocate at least \$750 million from this year’s budget surplus for free and reduced fares. Significant fare discounts or free transit can provide a helpful near term boost to California transit ridership and provide relief to cost-burdened Californians.

However, particularly for the Bay Area, which has 27 transit agencies - where many types of trips require numerous operators, and where there is significant income disparity - **any kind of free or discounted fare program would be most effective if deployed in a regionally coordinated way.**

The Bay Area’s major transit agencies and MTC recently completed a [Fare Integration and Coordination Study](#) in 2021. Resulting from the study, General Managers and MTC unanimously approved a set of desired policy directions to support the growth of transit ridership:

- Free transfers between agencies
- Developing a common fare structure for regional services
- Multi-agency passes for individuals, allowing any member of the public to purchase a daily or monthly pass that is valid on all the region’s transit agencies.

Collectively the study found that these policies could increase transit ridership by at least 4.7%, or at least 68,000 daily new riders, and were among the most cost effective investments the region could make in increasing transit ridership. Fare integration was reaffirmed as a regional priority for pandemic recovery as part of the region’s Blue Ribbon Transit Recovery Task Force, which concluded in 2021 with the unanimous adoption of a Transformation Action Plan.

Fare integration is a strategy for which the San Francisco Bay Area *already has a plan*, and for which there is a funding need that can be supported in this budget cycle. While regional funding has been identified for free transfers, funding is needed to implement the other two main policies recommended - a common regional fare structure and multi-agency passes.

In addition, especially for large and multi-agency regions such as the Bay Area, a coordinated approach to free and discounted fares -- including consistent start and end dates, coordinated discount levels across the system, and coordinated rules around ridership tracking and data collection -- would offer many significant benefits such as shared marketing, better ability to target low-income and disadvantaged groups, and a broader ability to track how the program worked across the entire region.

Given this, we have two requests:

Request 1: Encourage free and discounted fares funded by the state budget to be regionally coordinated. MPOs with many transit agencies should have the maximum flexibility and authority to coordinate near-term free and discounted fare programs funded by state funds in this budget cycle.

Request 2: Allow regions to fund fare and service integration as eligible uses of transit funds to support sustained ridership recovery and growth. We request that a portion of the transit funding identified within the state budget be eligible to be spent on fare integration programs beyond the initial 3-month proposed free transit period. Within the San Francisco Bay Area region, MTC should have the ability to direct a portion of funds in excess of what is required for the initial coordinated free/discounted transit period, toward policies that advance the region's Fare Integration Vision and Transformation Action Plan, as well as toward transit service overall.

In conclusion, we urge the state legislature to ensure any one-time funds authorized in this budget are used *as effectively as possible to rebuild transit ridership*. Our groups continue to support the [Bay Area transit agencies' joint request for an overall greater funding request - \\$5 billion statewide](#) - to meet critical needs, especially funding for operations. We request that the Bay Area have both the flexibility, as well as the authority via MTC, to use any funds identified for free or discounted fares in a regionally coordinated way that will maximize transit ridership growth, reductions in driving, and a sustained recovery of our economy.

Thank you,

Laura Tolkoff
Transportation Policy Director, SPUR

Hayley Currier
Policy Advocacy Manager, TransForm

Gwen Litvak
Senior Vice President, Public Policy

Ian Griffiths
Policy Director, Seamless Bay Area

Jason Baker

Senior Vice President, Silicon Valley Leadership
Group

Russell Hancock

President & CEO, Joint Venture Silicon Valley

CC: Mark Tollefson, Office of Governor Gavin Newsom
Ronda Paschal, Office of Governor Gavin Newsom
Teresa Calvert, Program Budget Manager, Department of Finance
Assemblymember Phil Ting, Chair, Assembly Budget Committee
Assemblymember Laura Friedman, Chair, Assembly Transportation Committee
Senator Lena Gonzalez, Chair, Senate Transportation Committee
Toks Omishakin, Secretary, CalSTA
Chad Edison, Deputy Secretary, Rail and Transit, CalSTA
Darwin Moosavi, Deputy Secretary, Environmental Policy and Housing Coordination, CalSTA
Rebecca Long, Metropolitan Transportation Commission