SENATE BILL 125 ALLOCATION PACKAGE

B.i An explanation of what funding and service actions are being taken within the region that utilize resources other than SB125 funding

Strategies Beyond SB 125 to Address Transit Deficits

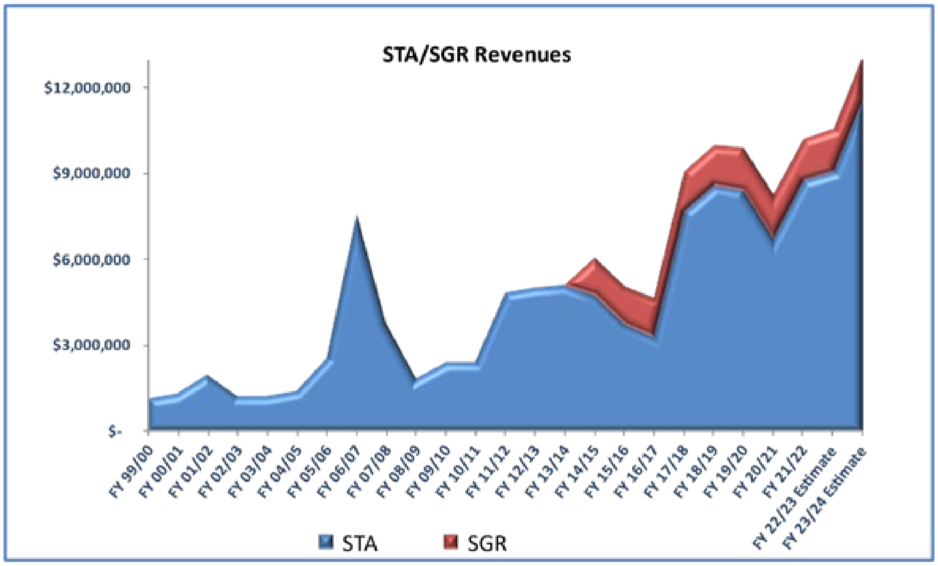
Prior to SB 125, Ventura County's transit operators had already initiated numerous strategies to address transit funding shortfalls, but these strategies are projected to be woefully inadequate to continue previous transit service levels into the future. These strategies include:

Maximizing local, state and federal funds to address shortfall: The transit operators have no local tax for transportation, despite several attempts to gain voter approval. It is possible that the county's elected officials might be amenable to placing another measure on a future ballot, depending on the outcome of related constitutional amendments slated to be on the November 2024 ballot. However, given the lack of public experience with the benefits of a local transportation revenue measure, the outcome of any future attempt remains very uncertain.

Utilization of COVID relief funds: The transit agencies serving Ventura County received significant infusions of federal emergency COVID funds, but these funds have now been exhausted for all of the county's operators except for Metrolink. The federal IIJA significantly increased transit formula funds, including operations funds available to Ventura County's bus operators. These increased funds have been applied to both bus operations and to preventive maintenance. Also, VCTC has made approximately half of the Congestion Mitigation and Air Quality (CMAQ) funds available to use for scheduled local bus replacements and zero-emission bus infrastructure, although the future availability of CMAQ for this purpose is uncertain due to a recent federal interpretation empowering the Southern California Association of Governments (SCAG) to determine CMAQ priorities.

Utilization of Revenues from the Local Transportation Fund (LTF): While revenues have increased to an unprecedented level, having grown by over 37% since 2019, they have not maintained pace with inflationary cost increases. Although the pandemic caused a temporary drop in LTF sales tax receipts, with the consumer shifting its spending from services to goods and online sales, the loss was minimized. In fact, spending remained strong and sales tax receipts increased. Although Ventura County has four cities that use LTF for local streets, 80% of the LTF increase since 2019 went to transit uses. In the GCTD service area, which includes western Ventura County, 100% of LTF is used for transit purposes. Even with this greatly increased LTF to transit, future financial challenges remain due to increased operating costs including labor, health insurance, fuel, inflationary increases to supplies and parts, as well as the pending zero-emission conversion costs.

Utilization of State Transit Assistance (STA) for Ventura County has also risen to an unprecedented level as shown in the graphic below along with State of Good Repair (SGR) funding. VCTC's policy is to use the STA primarily for operation of VCTC Intercity buses, which operate countywide, and provide connections to the local bus operators as well as Metrolink and LOSSAN. The increased STA funds are required to provide the increased VCTC contract operator costs to address the need for competitive salaries and other issues. However, VCTC's entire motor coach fleet is reaching the end of its useful life and urgently needs to be replaced. The STA remaining beyond VCTC's operating needs is insufficient for that purpose, and, furthermore, all the other funding sources such as CMAQ and FTA formula funds are needed for other purposes such as local bus operations, Metrolink operations and local bus replacements. Therefore, the SB 125 funds are needed for VCTC to replace its motor coaches, which will soon be required for continuing reliable operation.



Utilization of LCTOP funding: A significant measure to address financial challenges was VCTC's decision to apply Low Carbon Transit Operations Program (LCTOP) funds to the free college and youth bus fare programs. These two programs include all Ventura County bus operators and have driven a significant portion of the county's ridership recovery, thus providing a significant transit operator revenue stream to replace the transit fares for these groups. This year, six free fare days were also implemented using LCTOP funds. However, the county's LCTOP apportionment is insufficient to continue all of these programs indefinitely, so the SB 125 funds will allow extension of the programs for several years. VCTC and the transit operators hope extension of these free fare programs will continue to lead to more ridership as has been experienced, particularly since the implementation of the Youth Ride Free Program. Extension of these programs will definitely help to reduce or eliminate service reductions, fare increases or layoffs.

Absent SB 125 assistance and despite increased federal formula, LTF and STA funds, a significant shortfall is anticipated starting next year due to the end of emergency COVID-era federal funds, increased operating costs to provide competitive transit worker wages among other issues, zero-emission bus conversion, and ridership that is still below the pre-pandemic level.

Cost-Saving Measures

Ventura County transit operators are moving forward to develop cost-saving measures to help address the transit financial situation. In particular, VCTC has completed its Transit Integration and Efficiency Study (TIES), which recommends measures to enhance coordination among the county's bus operators. Through this collaboration, transit agency assets and staff can work together to implement programs and services, which will result in more reliable, efficient and attractive services for transit riders. Some examples of the of cost-savings measures being implemented include:

- ✓ Increasing Budget Management & Oversight
- ✓ Implementing Organizational Efficiencies
- ✓ Service Planning Efficiencies
- ✓ Maximizing Use of Facilities
- ✓ Reviewing Fare Policies and Making Fare Adjustments
- ✓ Implementing Innovative Revenue Options
- ✓ Regional Partnerships and Coordination

For example, Gold Coast Transit District (GCTD) has developed a plan to improve the organization's efficiency, reduce costs, and identify innovative ways to increase funds. This includes review of adjustment to fare structure, combining operations of fixed and demand response services into one facility, use of facility fuel station to generate revenue for operations, and development of district-owned land for affordable housing purposes. These measures combined will take several years to develop, but the agency is actively pursuing implementation to help reduce costs and increase revenues.

Another cost-saving measure employed by Ventura County's bus operators has been deferral of equipment replacement, including vehicles and operating equipment. However, vehicle and equipment replacement can be deferred only a few years, so now the transit agencies must proceed with replacing some of the deferred items. For example, VCTC was recently notified that its vendor will no longer support the countywide farebox system that VCTC procured many years ago, so within the next few months VCTC must initiate procurement of a new system. Furthermore, the replacement of compressed natural gas buses cannot feasibly be deferred beyond the expiration date of the pressurized fuel tanks.

Additional efforts are also underway to evaluate possible efficiency measures, such as combining more routes (known as interlining), reducing underperforming trips, and other service adjustments. VCTC discontinued funding for the vanpool program provided through the California Vanpool Authority. Both VCTC, in conjunction with the smaller operators, and GCTD, the county's largest bus operator, have initiated short-range transit plans to identify possible operational efficiencies.

B.ii. A description and justification of the RTPA strategy to use SB 125 funding to construct capital projects and fund operating expenses that lead to improved outcomes in its jurisdiction.

In August, VCTC reached out to Ventura County transit operators to ask for funding priorities for each agency. VCTC used the projects submitted by the operators and separated them into TIRCP Years 1 and 2 and ZETCP Years 1-4 based on project type and year funds are needed.

When looking at the needs of the county and determining the projects to be funded, in line with the goals of SB 125, the objective was to fund the most-needed projects to continue transit service and operations. As such, the priorities were to primarily fund operations and bus replacements, followed by transitioning to zero-emission vehicles and regional projects. As is VCTC's policy, the regional projects were taken off of the top as they have benefits to all operators and the population at large.

Beyond project need, VCTC looked at equity of total funding for all programs between the agencies in comparison to population served, as most formula funds are distributed in this manner, including how the SB 125 funds were allocated to the RTPAs. VCTC also considered equity based on population, ridership and low-income areas. Additionally, VCTC also made an effort to not only allocate TIRCP and ZETCP funds to projects outlined in the SB 125 goals and that are most in need to be funded, but also prioritized projects that are hard to fund with other sources.

Because there are so many operators in Ventura County, it has been critical to improve the ease of travel between the operators, making regional projects critical to the county. As such, in 2020, VCTC in conjunction with the county transit operators began implementation of the VCbuspass smartcard system, which allows passengers to purchase stored value or monthly passes to be used between the operators, allowing easier transfers. The program includes both an app and a smartcard, which can support those passengers who are unbanked.

Building off of this, VCTC looks to expand to open-loop payments, either by taking advantage of the Cal-ITP system or by including those as part of the countywide farebox replacement. Open-loop payments will make transit in Ventura County more attractive and make it even easier to transfer between operators. New fare equipment may also improve the speed at which riders can board buses. This would increase average operating speed, which would allow more service without additional cost, furthering one of the SB 125 funding goals.

Included in the projects is implementation of Mobility as a Service software to support enhancing transit services and transportation demand management (TDM). These efforts and the successful fare-free programs are included in VCTC's most recently adopted Strategic Plan.[1] VCTC expects that these services will increase ridership with the goal of shifting modes from single-occupancy vehicles (SOV).

VCTC and the other Ventura County transit operators are committed to work together to implement recommendations of the Transit Integration and Efficiency Study (TIES). These recommendations focus on riders and on making the provision of transit services more efficient and effective. VCTC is conducting a Short-Range Transit Plan (SRTP) that will include service plans for all county transit operators except GCTD, which is conducting its own SRTP and whose strategies will be included in the larger VCTC plan to include all regional priorities. Building on the work of the TIES, the SRTP will also include a Paratransit Integration Study to improve the fragmented paratransit network. Actions taken based on these studies should include coordinating schedules and/or services with the goal of making taking transit easier and faster for the riding public. Ventura County operators continue to discuss changes in fares and eligibility requirements to make transferring between transit operators easier and more attractive to riders.

With SB 125 funding, Ventura County transit operators can avoid making cuts to existing transit services. Without these funds, Valley Express would need to reduce the hours of its general public demand-response service. Other operators would have to look for ways to reduce hours as well. With these funds, Simi Valley Transit and Metrolink will be able to expand their services to meet demand, serve new markets and reach new customers.

B.iii. A detailed breakdown and justification for how the funding is proposed to be distributed between transit operators and among projects, consistent with the legislative intent described in SB 125.

In December 2023, VCTC's governing board approved the following funding plan, which includes a mix of innovative capital and critically needed funding for operating needs. The funding plan was developed with input from transit operators, as well as in line with the legislative intent of SB 125.

Total by Agency	Amount
GCTD	$ 33,574,299
Valley Express	$ 2,400,000
County	$ 32,350
Camarillo	$ 4,176,000
Moorpark	$ 1,100,000
Ojai	$ 1,882,500
Simi Valley	$ 6,150,000
Thousand Oaks	$ 10,650,000
Metrolink	$ 3,825,180
Intercity	$ 22,325,000
VCTC - regional projects	$ 12,445,000
Total	$ 98,560,329

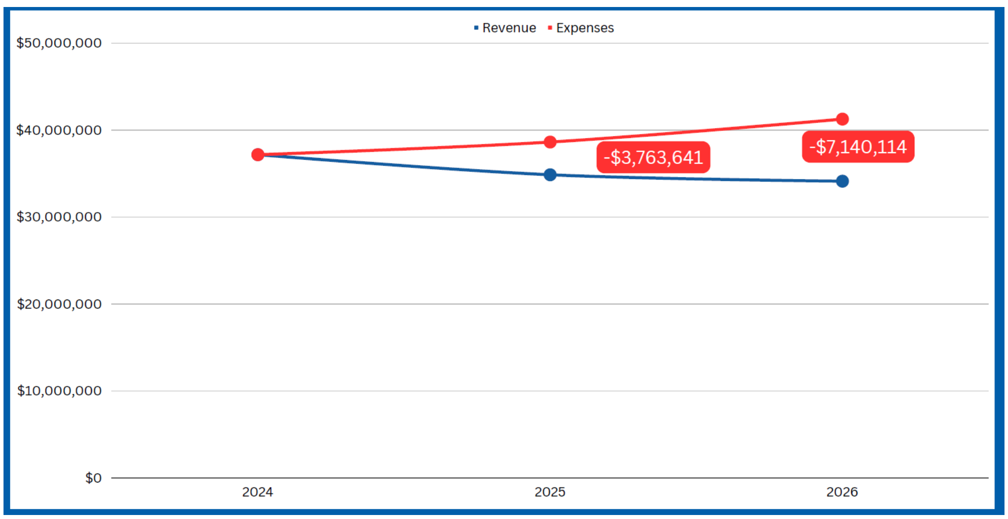
Like in other areas, Ventura County transit operators worked hard to continue transit service during the most challenging time we have collectively faced. Ridership fell drastically due to the initial pandemic shutdown and continuing reduction of activity in our communities. At the same time, essential workers needed transit to get to their places of employment and for other basic needs. With the waning of the pandemic, ridership has increased. Ridership in FY22-23 was 32% higher than the year before, but

[1] VCTC Strategic Plan can be viewed here:
https://www.goventura.org/wp-content/uploads/2023/05/VCTC_StrategicPlan_StratPlan2022.pdf

ridership is still below what it was before COVID. Furthermore, costs have increased significantly and will not be going back down. SB 125 funds are required to continue existing service levels, replace aging vehicles and make significant progress toward a zero-free emission fleet. Without the SB 125 funds, maintenance costs will go up and transit service will become less reliable. These funds are necessary to reduce or eliminate the need for service cuts, fare increases or layoffs.

VCTC's plan includes a significant amount of funding to be allocated to help Ventura County's largest transit provider. GCTD's budget is projected to have a significant and deficit growing in the next several years. This allocation plan overall helps to fulfill the intent of the Legislature under SB 125 to provide bridge funding for transit operations to address short-term costs until long-term transit sustainability solutions are identified; (2) to assist operators in preventing service cuts; (3) prioritize the availability of transit for riders who are transit dependent; and (4) prioritize transit agencies representing a significant percentage of the region's ridership. With 76% of the county's transit ridership in FY23, GCTD is the county's biggest operator and the agency that has the largest ow-income and transit-dependent population. This plan awards GCTD the largest single share 33% (56% after accounting for regional projects) of the SB 125 funds and supports the goals of assisting transit operators in preventing service cuts and increasing ridership. Additionally, a number of the regional projects will directly support GCTD such as the fare collection and the free-fare projects.

GCTD's Projected Budget Deficit



GCTD serves a significant number of low-income communities and disadvantaged communities (DACs) as defined by SB 535 and AB 1550 and is the only operator to serve DACs other than VCTC's Intercity regional service, which provides service to some of the same DACs. This also ensures that providing transit service to riders who are transit dependent is a priority and that funds are awarded to the agencies representing a significant percentage of the region's ridership. The SB 125 funds will enable GCTD to avoid the fiscal cliff by providing gap funding that will allow it to avoid service cuts through FY27.

Additionally, these funds will allow for the provision of new microtransit service for Simi Valley Transit that will increase ridership. Successful microtransit projects can serve as examples for other operators and may lead to new or reimagined services that increase ridership and rider satisfaction. It will help most operators to replace aging buses to keep service running and allow operating funds to continue to be spent on transit operations rather than on bus replacements or maintenance, which helps continue current service provision. It provides funding for most transit operators to transition to zero-emission vehicles, including funds to support ZEB purchases and building ZEB infrastructure, helping to reduce GHGs.

Overall, the SB 125 funding will be used to support local transit and regional projects that are innovative and make transit usage easier and more accessible, including continuing free-fare programs, updating the fare payment system, MaaS and a radio system that will allow operators to communicate with each other and with law enforcement/emergency managers. Most of these projects will help to increase ridership. Funds will be used to maintain service levels and help ensure services are attractive and remain available for transit-dependent riders and will provide time for transit operators to implement solutions to bridge long-term funding challenges.

C. Detailed Project Description

Detailed project sheets are included as an attachment.

D. A summary Excel table including the proposed uses of TIRCP and ZETCP funds by fiscal year of availability.

The Excel table showing fund breakdown is included as an attachment.

E. Regionally representative transit operator data in coordination with transit operators

i. Existing fleet and asset management plans by transit operators
   a. The Ventura County TAM Plan that includes Camarillo, Moorpark, Simi Valley, Thousand Oaks, Valley Express and VCTC Intercity can be found at the link below. GCTD and Ojai each have their own TAM plans and are included as attachments.

https://www.goventura.org/wp-content/uploads/2022/12/Group-TAM-Plan-Update-2022-Final.pdf

ii. Revenue collection methods and annual costs involved in collecting revenue for each transit operator and regional transportation planning agency involved, by payment instrument.
   a. All agencies accept cash and are on VCbuspass, a smartcard and mobile app program managed by VCTC, which allows payment by credit card. Planned improvements in the next four years include replacing the fareboxes and upgrading the fare system to ultimately implement open-loop payments. Funding for this is included as one of the SB 125 projects. This project is expected to cost $4-4.5M. The revenue generated and cost of collection is included in a table as an attachment.

iii. A statement of existing service plan and planned service changes through the end of 2023-24, and schedule data in General Transit Feed Specification (GTFS) format.
   a. All operators' GTFS feeds include their current service and only regular schedule adjustments to routes are expected to occur throughout the rest of the FY. All agencies are included in the link below besides Valley Express and Ojai, which are included as an attachment. https://data.ca.gov/dataset/cal-itp-gtfs-ingest-pipeline-dataset/resource/e4ca5bd4-e9ce-40aa-a58a-3a6d78b042bd.
   b. Proposed service plan - VCTC is currently conducting an SRTP that will include a service planning analysis for all county transit operators besides GCTD, which is conducting its own SRTP and whose recommendations will be included in the larger VCTC SRTP. Through this process, proposed service will be developed. GCTD though has included a GTFS version.
   c. Phasing plan - VCTC is currently conducting an SRTP that will include a service planning analysis for all county transit operators besides GCTD, which is conducting its own SRTP and whose recommendations will be included in the larger VCTC SRTP. Through this process, phasing plans will be developed.

iv. Expenditures on security and safety measures
   a. Funds will be invested in the upgraded radio system that allows operators to communicate with each other and with law enforcement/emergency managers. Additionally, the VCTC Intercity camera system will help support safety of passengers and bus drivers.
   b. GCTD has expenditures on security and safety measures for a range of services and resources aimed at ensuring the well-being of passengers, staff, and its transportation system. Some expenditures include personnel costs, technology cybersecurity and physical security measures, among others. The total is $337,055.65.

c. Security costs that are tracked directly are $16,420.32 for VCTC Intercity, $6,841.80 for Valley Express and $120,000 for Thousand Oaks.
d. While there have been numerous safety and security projects implemented by the agencies over the years, after the projects are implemented, these tasks are not necessarily itemized by the agencies.

v. Opportunities for service restructuring, eliminating service redundancies, and improving coordination amongst transit operators, including, but not limited to, consolidation of agencies or reevaluation of network management and governance structure.

a. Earlier this year, VCTC and the transit operators completed the Ventura County Transit Integration and Efficiency Study (TIES) to identify potential efficiencies in the delivery of quality local and regional bus transit throughout Ventura County. This study was a first step at identifying potential opportunities for transit integration and efficiencies in the County, including service restructuring, eliminating service redundancies, and improving coordination amongst transit operators. Now that it is completed, the operators are working to implement the early strategies. Additionally, VCTC is currently conducting an SRTP that will include a service planning analysis for all county transit operators except GCTD, which is conducting its own SRTP and whose recommendations will be included in the larger VCTC SRTP. Through this process, all of the above will be considered. The SRTP includes a Paratransit Integration Study that will look at better integrating paratransit in particular. The SRTP will build on the work already conducted and strategies brought forth by the TIES and the Coordinated Plan.