

Date of Hearing: April 22, 2024

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

AB 2634 (McCarty) – As Amended April 2, 2024

SUBJECT: Sacramento Regional Transit District

SUMMARY: Exempts Sacramento Regional Transit District (SacRT) from the existing requirement that each transit operator that offers reduced fares to senior citizens must also offer reduced fares to disabled persons and disabled veterans, at the same rate. Specifically, **this bill:**

- 1) Authorizes SacRT to delegate to the appropriate officer the authority to order actions and procurements without competitive bidding in the case of an emergency.
- 2) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because SacRT requires greater discretion to properly serve its community in light of the unique demographics of the Sacramento region.

EXISTING LAW:

- 1) Establishes the SacRT Act, which governs the powers and functions of SacRT; establishes SacRT's territory, and planning duties; and, authorizes SacRT to issue general obligation bonds and revenue bonds, as specified. (Public Utilities Code Section (PUC) 102000)
- 2) Requires each transit operator that offers reduced fares to senior citizens to also offer reduced fares to disabled persons and disabled veterans at the same rate established for senior citizens, as specified. (PUC 99155)
- 3) Requires SacRT to award contracts for the construction of transit works or transit facilities in excess of \$5,000 to the lowest responsible bidder after competitive bidding. Exempts SacRT from this requirement in an emergency declared by a 4/5 vote of the district's board. (Public Contract Code Section (PCC) 20321)
- 4) Authorizes numerous public agencies, not including SacRT, to delegate to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer the authority to order certain actions and procurements in the case of emergency without competitive bidding, as specified. (PCC 22050)

FISCAL EFFECT: None

COMMENTS: SacRT was established by SB 1477 (Rodda), Chapter 1374, Statutes of 1971. SacRT serves citizens in the County of Sacramento and the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, by operating over 82 bus routes (fixed-route, microtransit, and dial-a-ride), 43 miles of light rail serving 53 light rail stations and ADA paratransit services across an approximately 440 square-mile service area.

SacRT is governed by a 12-member Board of Directors comprised of directors that are appointed by different jurisdictions: three members by Sacramento County, four members by the City of Sacramento, two members by the City of Elk Grove, and one member each from the cities of Citrus Heights, Folsom, and Rancho Cordova. Areas currently authorized to join, but have yet to, are the cities of Davis, Roseville, West Sacramento, and Woodland, and specified parts of Yolo County.

Existing law requires each transit operator that offers reduced fares to senior citizens to also offer reduced fares to disabled persons and disabled veterans at the same rate established for senior citizens. SacRT wishes to decouple this requirement so they can offer free fares to seniors. According to the author, “Public transit is a lifeline for many in our community, and offering free SacRT senior passes will significantly improve active transportation options and senior mobility in the Sacramento region.”

SacRT's current fare is \$2.50 and a month pass is available for \$100. Seniors and persons with disabilities can get the fare for \$1.25 and the monthly pass for \$50. SacRT also offers a “super senior” pass for those over the age of 75 for \$40 a month.

SacRT, the sponsor of this bill, argues SacRT, sponsor of this bill, writes, “(AB 2634) would allow SacRT to offer a special discounted rate to riders identified as ‘Super’ Senior Citizens. Our region’s population is aging, and more people are deciding on their own to restrict their driving to daylight hours and when weather conditions are optimal. Some may decide not to drive at all, and others may lose the ability to drive due to age-related conditions affecting their vision, hearing, or cognitive ability. Removing the transportation barrier will allow this vulnerable population to continue access to medical appointments, and shopping, and to stay connected to friends, family, and community.

In short, public transit has become more of a lifeline for many people, especially for the aging population. We cannot allow the lack of ability to afford transit fares to be an obstacle to our region’s older riders. SB 2634 allows SacRT to offer a special rate, or potentially free rides on our system to ‘Super’ Senior Citizens. We currently offer free rides to youth in grades K-12, and it has become a transformative community program, allowing young people easier travel to and from school, jobs, after-school activities, and even weekend trips just for fun. We believe the Super senior pass will significantly improve mobility in our region...The older citizens of our service territory will greatly benefit from this important bill.”

The University of California, Los Angeles (UCLA) Institute of Transportation Studies (ITS) put together a research synthesis on free transit in 2023. According to that report, titled *Considering Fare-Free Transit in the Context of Research on Transit Service and Pricing: A Research Synthesis*, riders are more likely to change their ridership based on improved service instead of a change in the fares. “All else equal, riders would tend to take proportionately more trips in response to a dollar spent to improve service than in response to that same dollar being used to reduce fares.” Moreover, decreasing fares likely will make no change to bringing new riders on, but rather would increase trips from existing riders because the fares may discourage discretionary trips.”

SacRT demographics and service: As a recipient of federal transportation funding, SacRT is required by the Federal Transit Administration (FTA) to complete an origin-destination survey every five years. In addition to compliance with federal requirements, the survey also provides system-wide information to the agency for use in analyses related to the services they provide.

SacRT completed its most recent survey in March of 2023 and found that approximately 9.7% of its riders were over the age of 65, with another 14.6% of its riders between the ages of 55 and 64. 55% of their riders were low income, compared to 20% of the county of Sacramento (SacRT considers those earning less than \$25,000 a year low-income). 68% of their riders who pay the senior/ disabled rate were low-income, while only 33% of those who bought the senior/ disability monthly pass were disabled. 55.6% of the super senior pass holders are considered low-income.

As part of the survey, SacRT asked customers to rate the friendliness of drivers, customer information, bus stop safety and comfort, safe light rail trains and stations, clean buses, and clean light rails. SacRT scored below four out of five on safety and had particularly low ratings for the cleanliness of their light rail trains. Their lowest-rated lines also saw an average on-time performance of 67%.

Sacramento Regional Transit lacks a variety of customer service-oriented features many other transit agencies have adopted. Their light rail trains lack real-time updates on arrival time. Most of the system cannot use cards to tap to pay. As a result the system also lacks fare capping, a system that makes it easier for low-income individuals to enjoy the benefits of a monthly pass without having to pay upfront (as noted above, low-income seniors or persons with disabilities made up 68% of those paying for a single fare while only making up 33% of those buying a month pass).

Committee concerns: Free transit is not free. The loss of revenue from fares may come at the expense of service. SacRT lacks basic customer service features that major transit operators provide, including real-time updates for when their light rail trains will arrive. Customers have reported a lack of satisfaction with the cleanliness and reliability of the SacRT system. Free transit without funding offsets may come at the expense of transit improvements and could potentially result in even worse service. Research has repeatedly shown that improving service is more important to transit riders than reducing fares.

Last year the Legislature passed SB 125 (Budget), Chapter 54, Statutes of 2023, which established the Transit Transformation Task Force. Transit ridership across the state has been on the decline and the state's one barometer for measuring transit's success, farebox recovery, has been suspended since 2020. The Task Force has been tasked to revamp public transit, explore new methods of funding public transit, and find an alternative for monitoring farebox recovery once the resumption of farebox recovery requirements resumes in the 2026-2027 fiscal year.

SB 125 also made state grants that were previously only available for capital projects eligible for operational improvements as a result of numerous transit agencies expressing concern about their ability to continue operations with existing funding levels. As part of SB 125, the Sacramento Area Council of Governments (SACOG) was required to submit an initial allocation package for how they planned to spend the money provided to them from the state's General Fund. SACOG is not asking for a single dollar to go towards supporting SacRT service and instead is requesting the vast majority of the funding to go towards capital projects. An additional \$1.2 million was set aside for planning purposes.

To better align with the work of the state's Task Force, the committee recommends repealing the provisions of this bill on January 1, 2027. The committee also recommends requiring SacRT to report to the Legislature on changes in ridership as a result of SacRT offering free transit to seniors, in addition to other changes that would impact ridership levels such as changes in the transit service SacRT provides.

Previous Legislation: AB 610 (Holden) of 2023, would have created a five-year Youth Transit Pass Pilot Program to provide grants to transit agencies to create or expand free fare transit programs for college and K-12 students. Those provisions of the bill were ultimately removed from the bill and replaced with an unrelated matter and signed into law. AB 1919 (Holden), of 2019, AB 1350 (Gonzalez), of 2020, AB 17 (Holden) of 2017, and AB 2022 (Holden) of 2016 tried to create similar programs. All of those pieces of legislation either died or were vetoed.

AB 2012 (Chu) of 2019, would have required transit agencies to offer free senior transit passes to persons over 65 to be eligible for state transit funds. That bill died in this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Sacramento Regional Transit District (sponsor)
LeadingAge California
Ridership for the Masses

Opposition

None on file

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