# Adoption of Caltrain FY23-28 Short-Range Transit Plan

**Work Program-Legislative-Planning Committee**

November 16, 2022

# Agenda

- **Purpose, Requirements, and Deliverables**
- **Key Operations-Related Changes Since Pandemic**
- **Scenarios Overview**
- **Next Steps**

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# Purpose, Requirements, and Deliverable

- The Metropolitan Transportation Commission (MTC), in cooperation with the Federal Transit Administration (FTA) Region IX office, requires public transit operators in the region that are FTA grantees to prepare and regularly update a Short-Range Transit Plan (SRTP), as input to regional transportation planning and programming activities.

- MTC has required all of the region's transit operators to submit a Board-adopted SRTP by December 29, 2022.

- Adoption of the SRTP today will ensure Caltrain complies with MTC's requirements and remains eligible for funding.

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# Purpose, Requirements, and Deliverable

| MTC Requirements | Previous Caltrain SRTPs | 2022 Caltrain SRTP |
|---|---|---|
| Time horizon | 10-year | 5-year |
| Operations plan | Yes | Yes |
| Operating scenarios | No | Yes – three MTC scenarios + one Caltrain scenario |
| Capital plan | Yes | No |
| Budgets must balance | Yes | No |
| Service and ridership overview | Yes | Yes |
| Other requirements | Goals, Strategies, Fleet Index, etc. | Pre-pandemic service vs. current service; key operating statistics by Scenario |
| Deliverable | ~100 page document | ~25 page document |

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# Key Operations-Related Changes Since Pandemic

## Recent Service Changes

Caltrain adjusted its service numerous times since the start of the pandemic. Current service, shown in red, has been in place since fall 2021 and offers an expanded peak period and evening frequency as well as adjusted stopping patterns. Sunday service expanded to match Saturday Service.
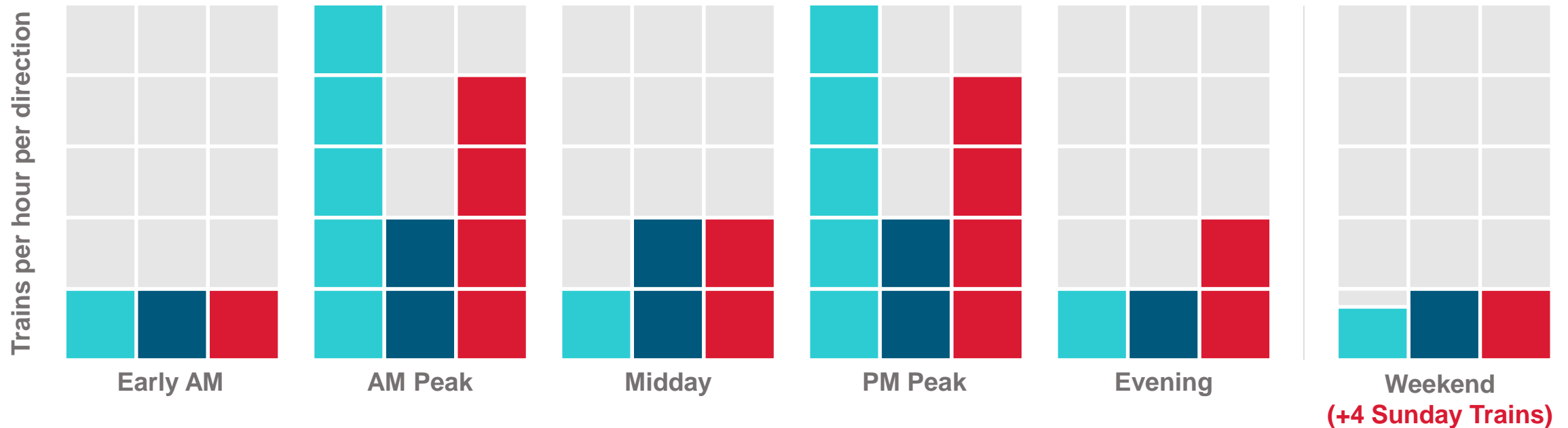


**Pre-Pandemic Service: 92 trains per day (tpd) | Spring/Summer 2021 Service: 70tpd | Fall 2021 – Present Service: 104tpd**
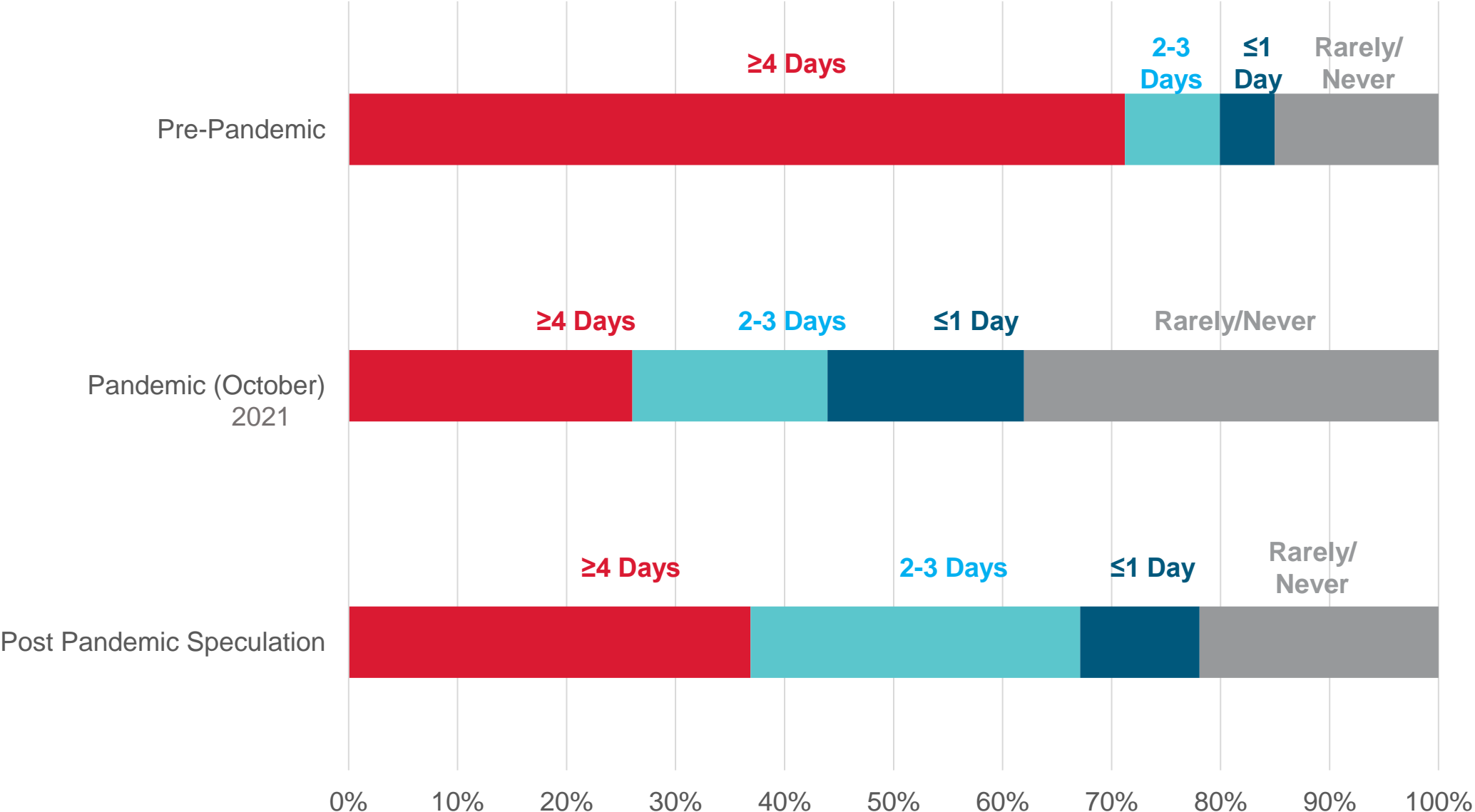
# Key Operations-Related Changes Since Pandemic

**Pre-pandemic and Recent Monthly Ridership**

# Key Operations-Related Changes Since Pandemic
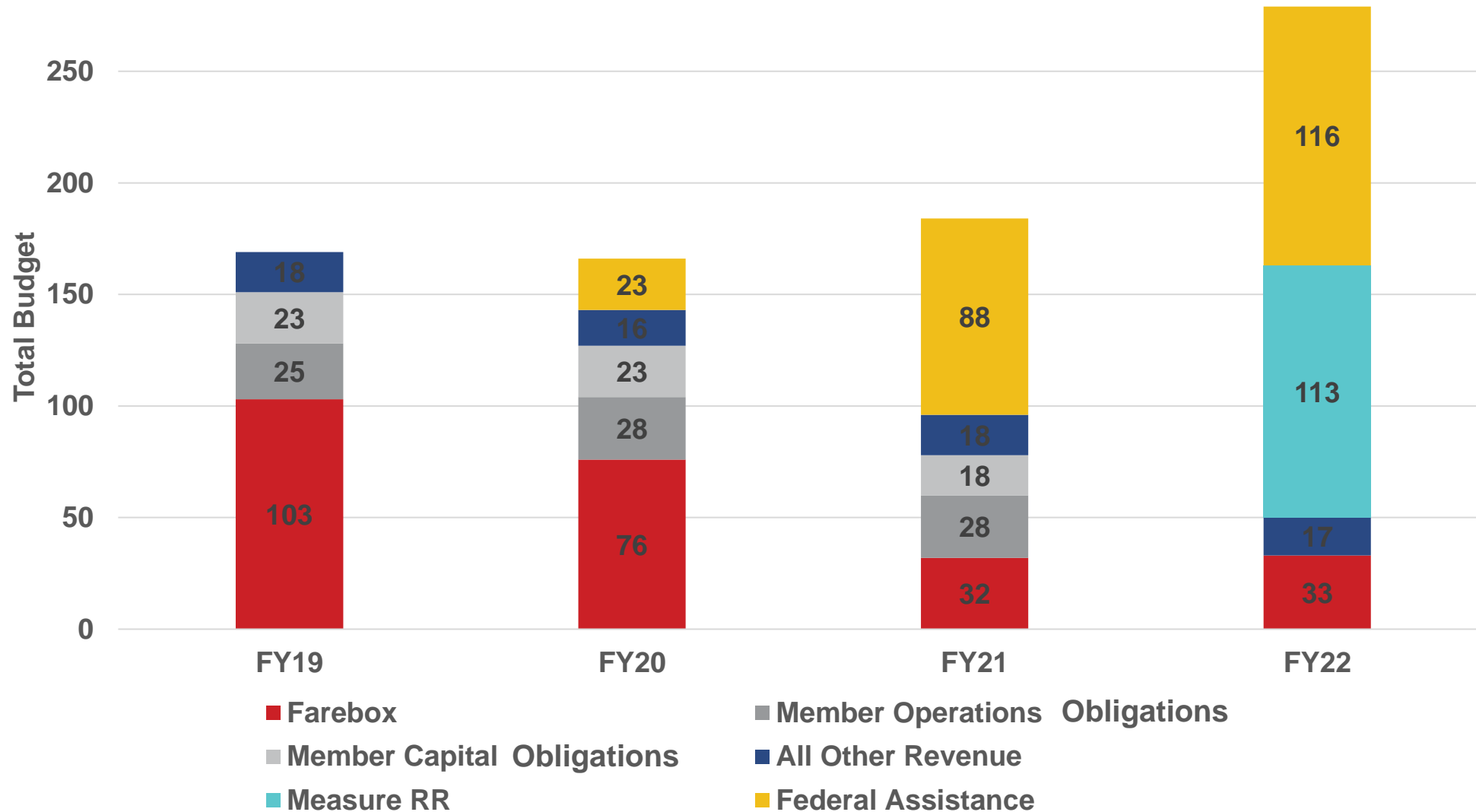
## Frequency of Commuting

Source: Caltrain Ridership Survey Fall 2021

# Key Operations-Related Changes Since Pandemic

## Change in Operating and Capital Funding Sources, FY19-FY22



Source: FY19-22 Caltrain Expenditures

# SRTP FY23-28: MTC Scenarios 1-3

- MTC provided three operating scenarios with operating budget amounts based on FTA data from FY19 with the addition of Measure RR revenue (passed by voters in 2020).
  - Within each of these operating budget maximums, MTC asked how much train service could be provided by Caltrain.

- These three MTC scenarios do *not* show Caltrain's anticipated costs and revenue for the levels of service in each scenario for FY24-28.
  - These three MTC scenarios do not align with Caltrain's current financial projections.

  - All scenarios do **not** show the railroad's significant and separate long-term capital program needs.

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# SRTP FY23-28: Scenario 4

- Caltrain developed a fourth scenario - the Caltrain Electrified Service Scenario - based on internal updated financial projections.

- Fundamental challenges with MTC's three scenarios:
  - They did not include capital plans.
  - They did not distinguish between operating costs and revenues – simply provided a total operating budget amount.

- Scenario 4 presents a more complete financial picture of the railroad's planned operations – with forecasted costs and revenues.
  - **Used for a separate MTC exercise in September 2022 regarding the regional "fiscal cliff" for transit operators.**
  - Does *not* show the railroad's significant and separate long-term capital program needs.

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# SRTP Scenarios

| | **1** Robust Recovery | **2** Revenue Recovery with Fewer Riders | **3** Some Progress | **4** Caltrain Electrified Service |
|---|---|---|---|---|
| **Scenario Description** | Ridership and farebox revenue return to pre-pandemic growth expectations; service expands substantially | Ridership and farebox revenues remain lower; Caltrain reduces service to pre-pandemic levels. | Ridership and farebox revenues partially recover; service incrementally expands. | Service incrementally expands; costs, ridership, and farebox revenue based on agency's latest projections |
| **Operating Budget Assumptions Source** | MTC for SRTP | | | Caltrain for MTC's Fiscal Cliff |
| **FY23-24 Weekday Service** | 104tpd | | | |
| **FY23-24 Fleet** | Diesel fleet | | | |
| **FY25+ Weekday Service** | 168 trains per day (tpd) | 92 tpd | 116 tpd | 116 tpd |
| **FY25+ Fleet** | Mixed diesel and electric fleet | | | |
| **Measure RR Revenue Assumption** | All Measure RR revenue supports Caltrain operations | | | All Measure RR revenue supports operations except $25M reserved to partially fund capital needs each year |

# Scenario 4: Interplay between Operating and Capital

In prior years, Caltrain's operating and capital budgets were highly siloed based on funding source. With Measure RR, the two budgets have become more interlinked:

**Measure RR**

Scenario 4 projections assume $25 million annually out of approximately $100 million total from Measure RR dedicated to capital budget

**Currently, these funds are needed in the capital budget to support basic state of good repair and routine capital expenditures as well as to match federal funds**

# Scenario 4: Projected Deficits (in $ millions)

| Scenario 4 – Caltrain Electrified Service | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|---|
| Total Projected Revenue | 179 | 170 | 180 | 193 | 201 | 210 |
| Total Projected Expenditures | 179 | 195 | 229 | 240 | 252 | 265 |
| **Projected Deficits** | **0** | **-25** | **-49** | **-47** | **-51** | **-55** |
| Level of Weekday Train Service | 104tpd | 104tpd | | 116tpd | | |

**Assumptions:**
- Reserves a portion of Measure RR for capital needs: $16M in FY24, $25M in FY25 - FY28 to support upcoming capital needs.
- Excludes operating member obligations, low carbon fuel credits, and increased debt service for Measure RR bonds; assumes no future fare increases.
- Does not include potential future increased annual cost for any additional new financing that may be needed to support Electrification project.

Operating Budget Assumption Provided By: Caltrain's FY23 budget, FY24-28 Scenario 4 projections from Caltrain

# SRTP Scenarios

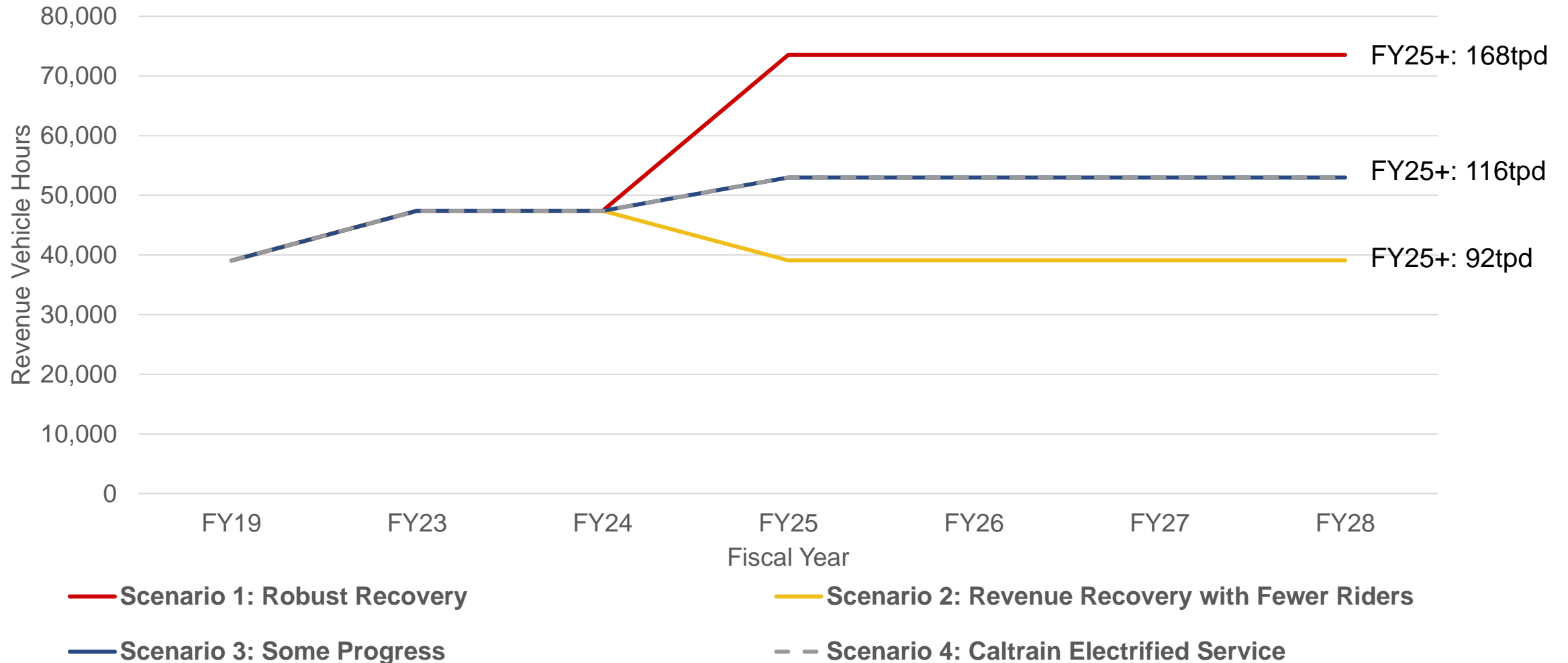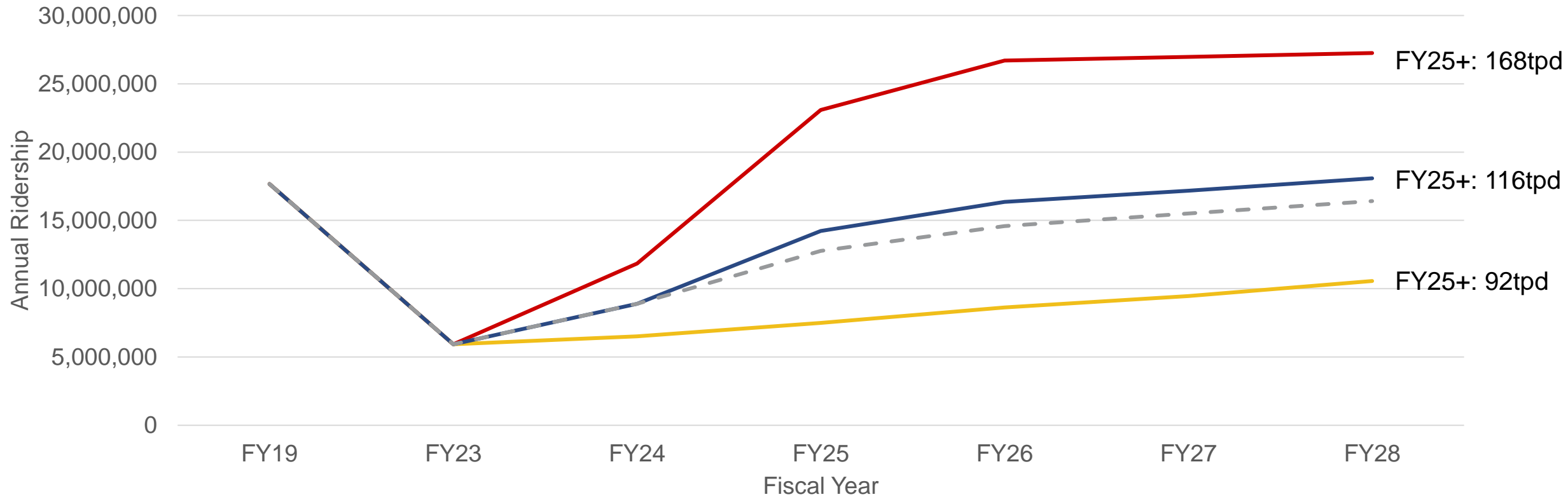| | **1** Robust Recovery | **2** Revenue Recovery with Fewer Riders | **3** Some Progress | **4** Caltrain Electrified Service |
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# Key Differences: Operating Budget (in $ millions)

**Scenarios 1-3: Amount of Annual Operating Budgets Provided by MTC (Assumed to Balance Costs/Revenues)**

| MTC SCENARIO | FY19 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|---|---|
| **Scenario 1: Robust Recovery** | | | | | | | |
| Annual Operating Budget Amount from MTC | 147 | 179 | 273 | 281 | 288 | 294 | 300 |
| Level of Train Service | 92 tpd | 104 tpd | 104 tpd | | 168 tpd | | |
| **Scenario 2: Revenue Recovery with Fewer Riders** | | | | | | | |
| Annual Operating Budget Amount from MTC | 147 | 179 | 216 | 222 | 228 | 233 | 237 |
| Level of Train Service | 92 tpd | 104 tpd | 104 tpd | | 92 tpd | | |
| **Scenario 3: Some Progress** | | | | | | | |
| Annual Operating Budget Amount from MTC | 147 | 179 | 232 | 239 | 244 | 249 | 255 |
| Level of Train Service | 92 tpd | 104 tpd | 104 tpd | | 116 tpd | | |

Operating Budget Assumption Source Provided By: FY19 Caltrain expenditures, FY23 Caltrain budget, Scenarios 1-3: FY24-28 MTC projections

# Key Differences: Revenue Vehicle Hours



Chart: Revenue Vehicle Hours by Fiscal Year

Y-axis: Revenue Vehicle Hours (0 to 80,000)
X-axis: Fiscal Year (FY19, FY23, FY24, FY25, FY26, FY27, FY28)

- FY25+: 168tpd (Scenario 1: Robust Recovery)
- FY25+: 116tpd (Scenario 3 / Scenario 4)
- FY25+: 92tpd (Scenario 2)

Legend:
- Scenario 1: Robust Recovery
- Scenario 2: Revenue Recovery with Fewer Riders
- Scenario 3: Some Progress
- Scenario 4: Caltrain Electrified Service

# Key Differences: Ridership



Chart: Annual Ridership (y-axis) vs Fiscal Year (x-axis: FY19, FY23, FY24, FY25, FY26, FY27, FY28)

- **Scenario 1: Robust Recovery** (red) — FY25+: 168tpd
- **Scenario 3: Some Progress** (blue) — FY25+: 116tpd
- **Scenario 2: Revenue Recovery with Fewer Riders** (yellow) — FY25+: 92tpd
- **Scenario 4: Caltrain Electrified Service** (dashed gray)

# Next Steps

**SRTP Next Steps:**

- Staff recommend that WPLP recommend the Board adopt the SRTP on December 1, 2022

- Staff will submit the adopted SRTP to MTC by December 29, 2022

**On Financial Projections:**

- Caltrain staff will continue to update and refine financial projections for Caltrain operations as part of the FY24-25 budget process, to be presented at a planned Spring 2023 Board workshop

- Caltrain staff is commencing the CIP process to identify long-term capital plan

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# Thank you!

**FOR MORE INFORMATION**

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