

County Transit Expansion Boom Will Come To End Of Line In '83

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Expansion of bus service in the Santa Cruz Metropolitan Transit District is coming to a screeching halt, says General Manager Scott Galloway.

Faced with declining revenue, Galloway and his administrative staff have been forced to prepare a nearly \$22 million final budget for 1982-83 which calls for the curtailment of bus service expansion and the elimination of both staff hiring and planning projects in order to make up a projected \$806,000 deficit.

District directors will consider that budget when they meet Friday at 8 a.m. at Santa Cruz City Hall.

Cost-saving proposals, Galloway explains, were designed to minimize impact on the rider by cutting programs and project which will not result in a decrease of actual bus service to the public.

"We've cut just about everything but the buses," explains Galloway.

The district may not be so lucky in the 1983-84 year, however, Galloway explains,

and after three years of rapid expansion of bus routes and frequencies, the district may have to reduce service to balance the budget.

The financial problem is multi-faceted. First, the Reagan administration is continuing with its phased elimination of federal operating subsidy, which during the 1980-81 fiscal year accounted for nearly 22 percent of the district's operating revenue.

The cuts began this year and will continue at a loss rate of about 25 percent per year through 1983-84, after which no federal aid will be provided. The district projects it will receive \$325,000 in federal operating subsidy for 1982-83.

Secondly, Galloway says, sales tax revenue has fallen somewhat dramatically in the past six months because of the Jan. 3-5 storm, continuing poor tourism weather and the general state of the economy. The district now is predicting only about a 5 percent increase in that revenue source for 1982-83, compared to the 10 percent growth experienced since that money was made available to the

district by a vote of the people.

The half-cent sales tax has accounted for more than half of the district's operating revenue and is responsible for paying about two-thirds of the cost of running the buses.

The sales tax has enabled the district to rapidly expand its service — doubling both the bus fleet and passenger miles since 1978 to meet all the service improvement promises made to the voters.

But the reality of public transit is that the faster buses are put on the street, the faster the sales tax revenue is eaten up because the farebox pays only about a third of the cost of operating the buses.

Fares can never keep up with costs, especially in high inflationary times. If they did, Galloway explains, riders would now be paying \$2 a trip and that would destroy the attraction and thus the purpose of public transit.

The district did double the bus fare to 50 cents late last year in an attempt to recover more of its costs from the riders.

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That fare hike has brought added revenue to the district, but not twice as much as one might expect.

When the basic fare was 25 cents, Galloway explains, the district averaged 19.5 cents per passenger carried (because of certain discounts for senior citizens and students).

When the fares, including those discounts, were doubled, the district should have averaged 39 cents per passenger.

In reality, the district is averaging only 28 cents per passenger.

Some 30 percent of the fare hike is being lost to fare evasion.

Startled?

Galloway says he was until he surveyed other transit districts and found they experienced even more fare evasion after rate hikes. The higher the fare hike, the higher the incidence of fare evasion, Galloway says he found.

Riders are evading the farebox in a number of ways.

The practice of cutting dollar bills (the price of a day pass) in half and then folding the half dollar and depositing it in the farebox (folding required to not jam the mechanism) recently was publicized.

Individuals also have been counterfeiting day passes.

The district hopes a soon-to-be-implemented policy of coded day passes will stop the cheaters.

Revenue also has suffered from abuse of the transfer system so the district is ready to begin a timed transfer policy which would allow sufficient time to make connections, but not round trips.

Galloway suspects there's also a more general fare evasion problem, that of some riders sneaking aboard buses while the drivers stretch their legs or use restrooms at the transit centers. Better security is proposed to help solve that problem.

Achieving the full 39 cents per passenger probably is impossible, but Galloway says the district hopes to get the figure up to 35 cents.

The budget which goes to the directors on Friday is predicated on the district achieving that 35-cent goal. Not achieving that goal and if the senior citizen fare is reduced back to 10 cents as requested by the Senior's Council, projected revenue will fall and more cuts will be needed.

The budget as drafted includes three other "iffy" revenue projections, including a possible over or under-estimation of the sales tax, \$122,000 the district hopes to get from the city of Santa Cruz for a traffic signal project on Front Street at the site of the new transit center and \$839,000 in state aid contained in a bill on Gov. Edmund Brown Jr.'s desk.

All or part of the state money, says Galloway, is still uncertain. Losing most

or all of it could bring about service cuts in the coming year.

Whereas more frequent bus service in the San Lorenzo Valley and commute and express runs between Mid-County towns and Santa Cruz now are merely dreams of the past, the coming year see construction of three major projects: The new downtown Santa Cruz transit center, a major maintenance facility in the Watsonville area and a minor maintenance facility on Golf Club Drive in Santa Cruz.

Federal and/or state funding already has been secured for those projects.

"Aside from a Watsonville transit center which is needed, those three projects will give us the needed facilities for the next 20 years," says Galloway.

As for bus service in those next 20 years, Galloway says that depends on "who funds public transit in the future."