

# Unjust Equity: An Examination of California's Transportation Development Act

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Federal subsidies of public transit, particularly transit operations, are declining and the responsibility for supporting transit is falling increasingly on states and localities. In California, the Transportation Development Act (TDA) has become the state's principal source of transit operating subsidies. It is found that the strict per capita allocation formulas of the TDA strongly favor lightly patronized suburban transit service over more heavily patronized service in the central cities. Transit riders in San Francisco, for example, receive a TDA subsidy of \$0.13 per trip, whereas the TDA subsidy to transit patrons in suburban Livermore is over \$5.00 per trip. The built-in suburban bias of the TDA is the result of partisan compromises made to secure passage of the Act in 1971—compromises to assuage a Republican governor opposed to new taxes—and to include the interests of rural and suburban counties. The result has been a proliferation in California of new, well-funded, and expanding suburban transit operators that attract few riders whereas older, heavily patronized central city transit operators are forced to cut service because of funding shortfalls. This paper concludes by proposing a more efficient and equitable method for allocating TDA funds than the current formula, which, in the name of equity, provides all Californians with a "fair share" of public transit whether or not they use it.

An extraordinary amount has been written about the rise, fall, and (halting) resurrection of urban public transit in the United States. Much of the work on transit's resurrection from the 1960s to date has focused on the significant role federal subsidy programs have had in shaping modern public transit. Productivity declines, increased labor costs, the expansion of service, and the overcapitalization of operations have all been traced to the influence of federal subsidies (1–4).

However, for most of the 1980s federal support of public transit has been declining. Federal transit operating subsidies, in particular, have dropped dramatically. Between 1979 and 1987, federal operating assistance was cut 48.7 percent in current dollars; considering the effects of inflation, the drop was nearly 70 percent in just 8 years (5).

Table 1 presents a testimony both to the Reagan administration's commitment to federalism in general and distaste for transit operating assistance in particular. Although inflation-adjusted passenger fare revenues and total revenues have grown in concert since 1979, there has been a dramatic shift in operating subsidies from the federal government to states and localities.

California has mirrored this trend toward state and local funding, and the burden of supporting public transit opera-

tions in California has been borne largely by the state's Transportation Development Act (TDA). In the 10 years from fiscal year 1978–1979 to fiscal year 1988–1989, inflation-adjusted federal support of transit operations in California decreased 55.7 percent, whereas TDA funding of transit operations increased 32.7 percent in real dollars. Federal funds now account for only 6.1 percent of all transit operating revenues in California, compared to a 24.4 percent share for the TDA. Last year (fiscal year 1988–1989), nearly \$500 million in operating funds were allocated to California public transit operators, making the TDA by far the largest source of operating subsidies in the state (6,7) and the largest nonfederal public transit funding program in the country (interview with James Mills, Dec. 6, 1990). Even when funding for transit capital (where the TDA plays a comparatively small role) is included, TDA funds accounted for 20.9 percent of all California transit revenues in fiscal year 1988–1989, compared with 19.7 percent for all federal transit funding programs (6).

Beyond the sheer magnitude of TDA funding, however, the particular regulations by which TDA funds are allocated have uniquely shaped and—one could argue—distorted the provisions of public transit in California. The TDA has been a boon for suburban transit in California, particularly in affluent counties with low levels of transit ridership. The strict expenditure formulas of the TDA require that funds (which come from the sales tax) be expended in the same county where they are collected. Even within counties, TDA allocations to transit operators are made on the basis of population and not ridership, a method that strongly favors lightly patronized suburban transit operators.

Several authors have noted the role transit subsidies have played in the expansion of suburban public transit (2,8). Subsidies have helped keep fares low, and encouraged the growth of flat fares and unlimited ride passes that favor long-distance, suburban commuters (9). Wachs (8) observed that the growing number of suburban representatives on transit boards and commissions consistently demand increased transit service in the areas they represent:

Effectively representing their constituencies, who do contribute a growing proportion of transit subsidy support, their advocacy results in systematic shifts of transit service toward relatively expensive and highly subsidized peak-hour runs between suburbs and downtown, and toward relatively lightly used suburban local services.

In California, the suburbanization of transit service is pronounced, politically driven, and primarily the result of the

TABLE 1 INFLATION-ADJUSTED NATIONAL TRENDS IN PUBLIC TRANSIT OPERATING REVENUES  
(IN BILLIONS OF 1984 DOLLARS)

Source of Funds	1979		1987		Percent Change, 1979 to 1987 (%)
	Amount (\$)	Percent (%)	Amount (\$)	Percent (%)	
Fares	3,218	37	4,315	36	+34
Federal	2,657	31	810	7	-70
State and local	2,752	32	6,794	57	+147
Total	8,627	100	11,919	100	+38

SOURCE: Metropolitan Transportation Commission, Oakland, Calif. (6,7).

TDA. This examination of the TDA's effect on public transit in California finds that the compromises necessary to secure the Act's passage have created a politically popular but uneconomic funding program. First, the political debate and subsequent compromises that preceded the passage of the TDA in 1971—compromises that appealed to the partisan, rural, and suburban interests in the state—are traced. A case study of the San Francisco Bay Area is then used to indicate how the TDA allocation regulations dramatically underfund heavily patronized central city transit service in favor of lightly patronized suburban operations. The result is a proliferation of new, well-funded, and expanding suburban transit operators that attract few patrons, whereas older, central city transit operators, in spite of heavy ridership, are forced to cut service because of funding shortfalls. In the name of equity, the TDA is decidedly unfair; the suburban bias ensures that all Californians get a "fair share" of public transit whether or not they use it.

#### ANTECEDENTS TO THE TDA: CALIFORNIA IN THE EARLY 1970s

California's long-term financial commitment to public transportation was born out of the unique social and political conditions in California of the early 1970s:

- There was broad public concern with air pollution and support for government efforts to improve air quality by reducing dependence on the private automobile;
- The major urban transit operators in California (particularly the Southern California Rapid Transit District) were in financial distress and in need of operating subsidies; and
- The opportunity existed to extend the state sales tax to gasoline and create a substantial new funding source for transportation.

These conditions, discussed in turn in the following paragraphs, combined in 1971 to motivate the passage of the Mills-Alquist-Deddeh Transportation Development Act. This Act extended the sales tax collected by the state to gasoline and earmarked 4.2 percent of sales tax revenues from all sales (1/4 cent of the 6-cent state sales tax) for public transportation, community transit services (for the elderly and disabled), and bicycle and pedestrian facilities (under certain conditions, TDA funds can be used for streets and roads); the focus of the TDA, however, was public transit, which received 83.5 percent of the funds allocated for the 1988–1989 fiscal year (6).

#### Air Pollution

Public concern with air pollution grew as urban air quality declined significantly in the postwar years, particularly in the Los Angeles air basin in which vehicle travel increased 268 percent between 1950 and 1970 (10) and the early standards of the federal Clean Air Act of 1970 were exceeded over 200 days per year. The foci of early (and most subsequent) air quality regulations were on stationary sources of pollution and emission control devices on new cars. On the demand side, the revival of public transit became the cause *célèbre*; conventional wisdom held that clean, efficient urban transit was needed in California to lure people out of their cars and create a balanced transportation system (interview with William Hein, March 27, 1990).

#### Funding Shortfalls

The financial distress of California's large transit operators was uniquely shaped by the early years of federal transit subsidies. Federal support of public transit began in 1961 with the passage of the Urban Mass Transportation Act (UMTA). For the first 13 years of the rapidly expanding UMTA program, however, federal transit funds could only be used for the purchase of rolling stock and capital equipment; UMTA funds could not be used to support transit operations. This left transit operators around the country, the Southern California Rapid Transit District among them, without the financial resources to operate an expanding fleet of new, federally financed buses (interview with Arthur Bauer, July 27, 1990). Up to 1974, the federal government clearly saw transit operating subsidies as the responsibility of states and localities (11). In California, that responsibility was assumed primarily by the TDA.

#### New Fund Source

Finally, a financial opportunity existed because the state sales tax, which applied to diesel fuels, did not include gasoline. Extending an existing tax (the sales tax) to a heavily taxed commodity (gasoline) to finance transportation (public transit) was a politically palatable proposal (interviews with Arthur Bauer and James Mills). Turning a palatable proposal into reality, however, required a number of strategic compromises by the Act's legislative authors to appeal to the state's Republican, rural, and suburban interests—compro-

mises that made the TDA heavily biased toward California's more affluent suburbs and against the state's penurious central cities.

### TDA AND THE ART OF COMPROMISE

The primary obstacle facing the Democratic triumvirate sponsoring the TDA was a conservative Republican governor (Ronald Reagan) opposed to new taxes. When first approached with the TDA, Governor Reagan wanted the proposal put before the voters. Knowing that it was unlikely that voters statewide would support a measure so clearly intended for central city transit users, Legislators Mills, Alquist, and Deddeh sought to modify the transit sales tax proposal both to satisfy the governor and avoid a plebiscite.

The first step was to technically designate the ¼ cent of the sales tax for the TDA as a "local tax" instead of a state tax. At the time, California had a uniform 5 percent sales tax in all 58 counties (4 percent state, and 1 percent local). When the sales tax was extended to gasoline by the TDA, the state-local split of sales tax was also changed to 3.75 percent state and 1.25 percent local. The additional 0.25 percent local tax, however, was not very local; expenditure of these funds was made subject to state statutes and administrative code of the TDA.

In order to further assuage the governor, each of California's 58 county boards of supervisors voted whether to extend the sales tax to gasoline and accept an additional 0.25 percent of the sales tax for TDA expenditures. The vote, however, did not offer the county supervisors much of a choice. At the time, the California Franchise Tax Board required that the sales tax be uniform in all counties (this has since been changed to allow special county sales taxes for transportation); if a county did not agree to the uniform state sales tax (which was a nickel at the time), then that county forfeited all state-collected sales tax revenues. The county supervisors were thus given a choice whether to extend the sales tax to gasoline and accept an additional 0.25 percent local funds for the TDA, or forgo all local sales tax revenues. Given this choice, it is not surprising that the counties voted unanimously for the TDA and thus satisfied Governor Reagan's desire for a local vote.

Rural and suburban counties, however, were not simply strong-armed into supporting a transit funding program for the central cities. The TDA was fashioned to appeal to the interests of rural and suburban counties. The appeal to rural interests was straightforward; small counties would be permitted to use some of their TDA funds for road projects. Counties with 1970 populations below 500,000 can use TDA funds for streets and roads if the presiding transportation planning agency determines that there are no "unmet transit needs that are reasonable to meet" (12). (The unmet needs process was actually added to the TDA later as administrative code because many rural counties were not funding public transit and using all of their TDA funds for streets and roads.) Such determinations are nearly automatic in rural counties and about half of TDA funds collected in these counties (but less than 15 percent of TDA funds statewide) are used for streets and roads purposes.

More important than the rural streets and roads concession, however, are the strict return-to-source provisions in the Act.

In order to make the TDA a local tax, the Act creates a Local Transportation Fund (LTF) for TDA funds generated in each county (12); because the LTF is a local fund, TDA funds generated in rural and suburban counties cannot be moved across county lines for use by transit operators in urban counties.

The Act further restricts the movement of funds by requiring that revenues be apportioned to transit operators within counties on the basis of service area population only (12). [The state's largest county, Los Angeles (LA), is an exception. The apportionment rules for LA County were amended in 1980 to dovetail with the passage of a county transportation sales tax, which, among other things, was intended to hold down transit fares. TDA funds are apportioned to LA County transit operators using a formula that gives 50 percent weight to the ratio of fare revenue to operating cost ratio and 50 percent weight to the operator's share of county-wide transit route mileage (12)]. This process means that transit operators are limited (a) to TDA funds generated in the county or counties they serve, and (b) to a share of TDA funds proportional to the ratio of their service area population to the total county population.

Although these return-to-source provisions appealed to the Republican governor and the parochial interests of the county supervisors, they also locked a suburban bias into the TDA in perpetuity. This bias exists because TDA funds are strictly allocated on a per capita basis, but per capita transit ridership varies greatly from city to suburb. Transit use is highest in central city areas where parking is restricted, fewer people have access to automobiles, and employment and population densities are highest; TDA funds, however, do not vary with transit ridership. The result is an extraordinary windfall for transit operators in suburban areas with low per capita levels of ridership; a windfall that is made clear in the following case study of the San Francisco Bay Area.

### EFFECT OF THE TDA IN THE SAN FRANCISCO BAY AREA

With a population in excess of 5 million, the nine-county San Francisco Bay Area is the nation's fourth largest metropolitan area. Seventeen major public transit operators and dozens of smaller public and private operators carry over 1.5 million passengers per day on a fleet of almost 4,000 vehicles.

The Bay Area is unique both in the large number of public transit operators and in the absence of a single dominant system. The San Francisco Municipal Railway, the oldest publicly owned transit system in the U.S., comes closest. Muni serves less than 15 percent of the region's population, but carries over half the transit users.

Table 2 presents the Bay Area's 17 transit operators by type. The two central city operators serve the densely settled cities and inner-ring suburbs of San Francisco, Oakland, Berkeley, Richmond, and Hayward. The trunk-line rail operators provide commuter rail service to the five southern Bay Area counties. The large suburban operators serve the extensively developed suburbs of San Mateo, Santa Clara, and Marin Counties. Finally, the small suburban operators provide service in the rapidly developing, far-flung suburbs of Sonoma, Napa, Solano, and eastern Contra Costa and Alameda Counties.

TABLE 2 PUBLIC TRANSIT IN THE SAN FRANCISCO BAY AREA (FY 1987–1988)

	Annual Ridership		Total Operating Cost		Fare Revenue	
	Number	Regional Share (%)	Amount (\$)	Regional Share (%)	Amount (\$)	Regional Share (%)
<b>Central City Operators</b>						
San Francisco Muni	245,053,000	55.1	236,913,100	31.5	71,287,000	29.7
AC Transit	61,308,000	13.8	122,310,000	16.2	44,278,000	18.4
<b>Trunk-Line Rail Operators</b>						
BART	61,737,800	13.9	167,775,000	22.3	78,474,400	32.7
CalTrain	5,595,900	1.3	25,883,100	3.4	9,119,300	3.8
<b>Large Suburban Operators</b>						
Santa Clara County Transit	35,200,000	7.9	103,348,400	13.7	11,307,300	4.7
SamTrans	18,048,100	4.1	34,543,400	4.6	7,797,500	3.2
Golden Gate Transit	8,784,200	2.0	37,187,200	4.9	13,669,100	5.7
<b>Small Suburban Operators</b>						
County Connection (CCCTA)	3,724,600	0.8	10,670,200	1.4	1,718,600	0.7
Vallejo Transit	1,498,000	0.3	2,118,500	0.3	578,300	0.2
Santa Rosa CityBus	1,267,000	0.3	2,261,100	0.3	502,700	0.2
Sonoma County Transit	771,500	0.2	2,714,800	0.4	551,600	0.2
TriDelta (ECCTA)	460,700	0.1	1,734,400	0.2	170,100	0.1
Napa VINE	439,400	0.1	741,000	0.1	130,000	0.1
Wheels (LAVTA)	395,200	0.1	2,180,900	0.3	125,900	0.1
Union City Flea	393,500	0.1	1,064,700	0.1	145,200	0.1
Fairfield Transit	271,400	0.1	635,800	0.1	113,700	0.0
WestCAT (WCCCTA)	194,100	0.0	925,100	0.1	87,500	0.0
Total	445,142,400	100.0	753,006,700	100.0	240,056,200	100.0

SOURCE: Metropolitan Transportation Commission, Oakland, Calif. (6,7).

Nearly \$1 billion is spent each year by these 17 Bay Area transit operators, about \$750 million of which goes to operations. About \$240 million in fares are collected each year; the remaining 68.1 percent of operating costs and 100.0 percent of capital costs are paid with subsidies. All told, in excess of \$700 million in transit subsidies are expended in the San Francisco Bay Area each year.

At first glance, the TDA appears to have only a moderate role in the Bay Area. The regional aggregation of subsidies presented in Table 3, however, tends to underrepresent the impact of the TDA in three respects: (a) TDA funds are used primarily for transit operations and play only a small role in capital expenditures; (b) the two trunk-line rail systems—BART and CalTrain—receive virtually no TDA funds (and are excluded from the following analysis); the TDA's major role is in local transit; and (c) the sheer magnitude of San Francisco Muni, which receives less than 15 percent of its revenues from TDA funds, tends to wash out the effect of the Act on the other operators.

Figures 1 and 2 show that the impact of the TDA, however, is far from uniform. Figure 1 shows TDA funds as a proportion of each operator's total operating subsidies and Figure 2 the proportion of total operating costs covered by TDA funds. Figure 1 indicates that for 11 of the 15 operators, TDA funds make up at least half of all operating subsidies. Figure 2 shows that for all but two operators, at least one-third of all operating costs are funded by the TDA.

The transit operators listed in these figures are arranged left to right by the number of passengers carried. Given this arrangement, one could surmise that the big operators simply have a larger pool of financial resources from which to draw, and are thus less dependent on the TDA. This is, however, not the case. Although the larger operators do draw on a wider range of financial resources, they do so out of necessity rather than privilege.

This point can be demonstrated by differentiating dedicated transit funding externally supplied to operators by federal, state, and regional agencies, from discretionary funds that

TABLE 3 SAN FRANCISCO BAY AREA PUBLIC TRANSIT SUBSIDIES (FY 1987–1988)

Type	TDA		Federal		Other State/Local		Total (\$)
	Amount (\$)	Percent (%)	Amount (\$)	Percent (%)	Amount (\$)	Percent (%)	
Operations	125,751,544	24.0	30,677,850	5.9	367,773,139	70.2	524,202,533
Capital	3,525,086	2.0	136,444,206	77.0	37,328,808	21.1	177,298,100
Total	129,276,630	18.4	167,122,056	23.8	405,101,947	57.7	701,500,633

NOTE: The vast majority of other operating subsidies in FY 1987–88 came from the BART sales tax (\$121,904,000), the San Francisco general fund (\$115,656,000), and the Santa Clara County transportation sales tax (\$56,585,000).

SOURCE: Metropolitan Transportation Commission, Oakland, Calif. (6,7).

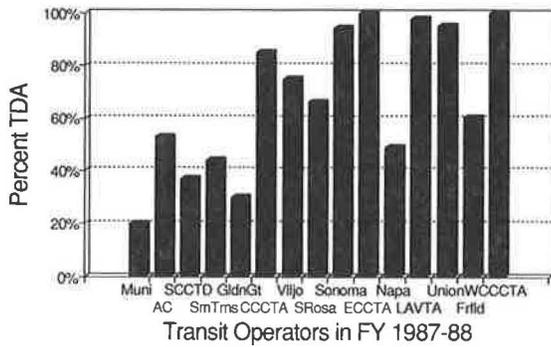


FIGURE 1 TDA as a percentage of total operating subsidies.

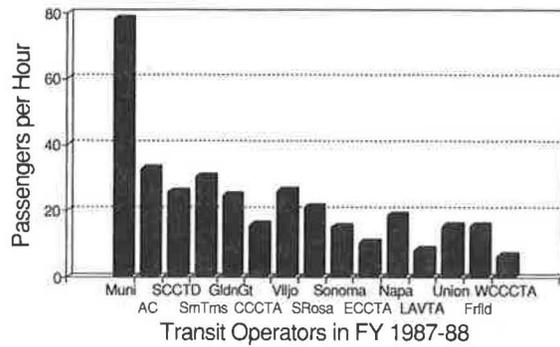


FIGURE 4 Service effectiveness—total passengers per vehicle-hour.

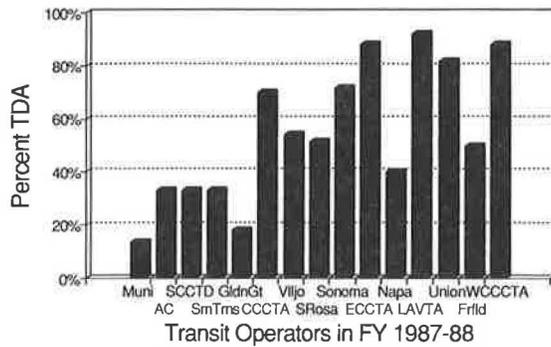


FIGURE 2 Percentage of total operating costs funded by the TDA.

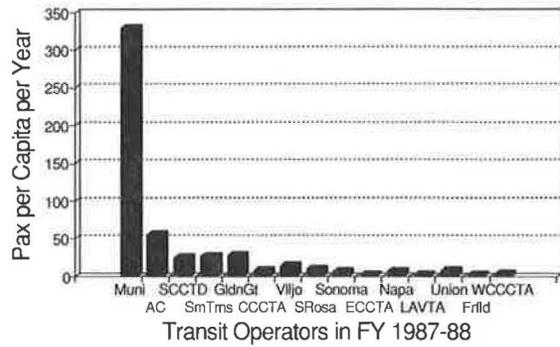


FIGURE 5 Transit ridership per capita by Bay Area operator.

operators must secure locally. For Figure 3, all operating revenues are defined as either external or local. External revenues—federal, state (including TDA), and regional subsidies—are dedicated funds allocated on a formula basis. Local revenues—fares, charter revenues, municipal general funds, local property taxes, and local sales taxes—require a local commitment to transit and can vary quite significantly from year to year. Local revenues require an active financial commitment to public transit at the local level, but external funds are “free”—they are available regardless of the local commitment to transit.

The issue of local commitment is fairly straightforward. In high-transit-use areas like San Francisco, localities have little choice but to devote substantial local resources to transit. In

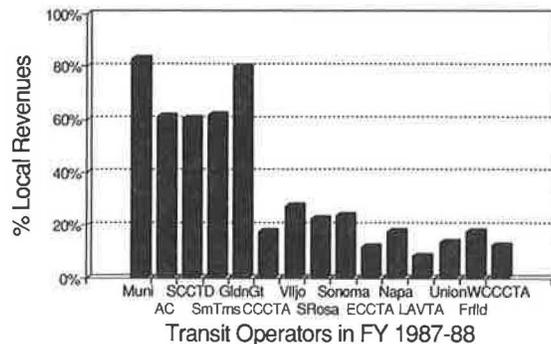


FIGURE 3 Local commitment to transit—revenues from fares and local sources.

low-transit-use areas, the services can exist almost entirely on external support—primarily TDA funds.

Beyond the gross ridership figures presented in Table 2, the service effectiveness of each operator is shown in Figure 4, using the traditional measure of total passengers per revenue vehicle-hour of service.

The larger operators do not have more riders simply because they have more buses. Ridership per vehicle-hour follows a predictable pattern of decay from densely settled San Francisco to the sprawling suburbs. This pattern is even more sharply contrasted in Figure 5, which shows per capita transit ridership for each operator’s service area.

Figure 5 is especially important. Remember that TDA funds are apportioned to each operator on the basis of population, not ridership. Figure 5 indicates that each dollar of TDA subsidy supports 3 transit riders in Livermore and 329 transit riders in San Francisco.

This pattern of TDA apportionments holds within counties as well. Table 4 shows that in Contra Costa County, for example, four operators—AC Transit, the County Connection, TriDelta and WestCAT—divide the annual TDA apportionment on the basis of service area population. AC Transit, which serves the largest black and low-income areas in the county, has cut service each of the past 4 years to avert a deficit. In each of those years, the County Connection and TriDelta accrued surpluses of TDA funds; the excess funds were added to reserves that now number in the millions for each operator.

(Demographic transit ridership information is limited, but fragmentary evidence suggests that the suburban bias of the

TABLE 4 RIDERSHIP, FARES, AND TDA FUNDS IN CONTRA COSTA COUNTY (FY 1987–1988)

Operator	Annual Passengers		Fare Revenues		TDA Apportionment		Apportionment of TDA per Passenger (\$)
	Number	Share (%)	Amount (\$)	Share (%)	Amount (\$)	Share (%)	
AC Transit	6,297,432	58.8	3,661,952	64.9	2,939,055	20.5	0.47
County Connection (CCCTA)	3,788,700	35.4	1,736,000	30.8	8,002,325	55.7	2.11
TriDelta (ECCTA)	427,700	4.0	166,100	2.9	2,390,046	16.6	5.59
WestCAT (WCCCTA)	189,000	1.8	75,500	1.3	1,034,661	7.2	5.47
Total	10,702,832	100.0	5,639,552	100.0	14,366,087	100.0	1.34

NOTES: The County Connection and TriDelta did not use all of their apportioned TDA funds in FY 1987–1988. The AC Transit figures are for the Contra Costa portion of AC's service area only.

SOURCE: Metropolitan Transportation Commission Oakland, Calif. (6,7).

TDA indirectly favors non-Hispanic white transit riders over nonwhite patrons. Combining the TDA revenues, ridership, and ethnic composition of adjacent AC Transit (65.5 percent nonwhite ridership) and the County Connection (39.5 percent nonwhite ridership) indicates that the TDA subsidy per white passenger is \$0.79, compared with \$0.71 for nonwhite riders. This difference is probably underestimated because of the significant size difference between these two transit operators; demographic data for similarly sized central city and suburban operators would probably reveal an ethnic bias much greater than the 12 percent found here.)

This inverse relationship between service effectiveness and TDA funding is shown clearly in Figure 6, which indicates that the TDA's return-to-source provision allows very high levels of transit funding in low-density, automobile-dependent suburban areas. With funding available, these areas put service on the streets that goes largely unused. The paradoxical effect of TDA funding on Bay Area public transit operations is presented in Table 5.

The clear majority of the region's transit patrons on San Francisco's Muni pay \$0.85 fares and receive TDA subsidies of \$0.13 per ride, whereas passengers in one of the area's newest suburbs pay \$0.60 to board a LAVTA bus and receive a \$5.08 TDA subsidy per ride. In the absence of the TDA, the heavily patronized Muni, which receives an annual city general fund contribution nearly four times its TDA apportionment (\$164.37 per capita per year), would continue to operate. On the other hand, it is likely that suburban operators such as Wheels (LAVTA), TriDelta (ECCTA), WestCAT (WCCCTA), and the Union City Flea would not exist were not 80+ percent of their costs covered by the TDA.

**POLICY RECOMMENDATIONS**

When recommending improvements to federal transit subsidy programs, most authors have called for more flexible, performance-based programs that target benefits to the transit user, not the transit operator (1–3,9,15,16). The TDA is clearly in need of reform; as currently structured, it is a politically popular, financially wasteful transit subsidy program.

In order to allow greater flexibility, promote improved performance, and target benefits to the transit user, one suggestion would be to match TDA funds to fare revenues; this would encourage operators to set fares and offer service that would maximize fare revenues. Such a program would promote both increased ridership and cost control by rewarding operators for attracting paying customers. Riders would benefit with TDA subsidies proportional to their patronage.

A TDA fare-matching program for local transit operators in the Bay Area is presented in Table 6. This example reallocates TDA transit subsidies for Bay Area operators only; it does not include funds that would be shifted into the region from other parts of the state. The result, as one would expect, is a significant shift in funds from the suburbs to the central city.

The immediate effect of this proposal would be to move funding from unproductive suburban service to heavily patronized San Francisco. Suburban operators would raise fares, which are currently about 40 percent lower than San Francisco Muni or Golden Gate Transit, to increase revenues. In order to retain transit service, suburban areas would have to contribute local funds to the smaller systems and would probably experiment with more cost-effective alternatives to suburban fixed-route service (the five largest Bay Area systems currently receive substantial local funding). More locally generated revenues and less "free" TDA money would encourage suburban operators to focus more on attracting riders and less on operating empty buses. The long-term effect of matching TDA funds to fare revenues would be increased ridership and fare revenues, improved productivity, and improved transit service for the vast majority of transit users.

The likelihood, however, of implementing this or any similar restructuring of the TDA is slim. Wachs (8) notes that calls to restructure transit subsidy programs on efficiency and effectiveness grounds do not address the political considerations of subsidy programs and usually fall on deaf ears. Indeed, the motivations to include rural and suburban funding guarantees in the TDA have not diminished in the nearly 20 years since its passage; if anything, statewide politics have grown more parochial since 1971.

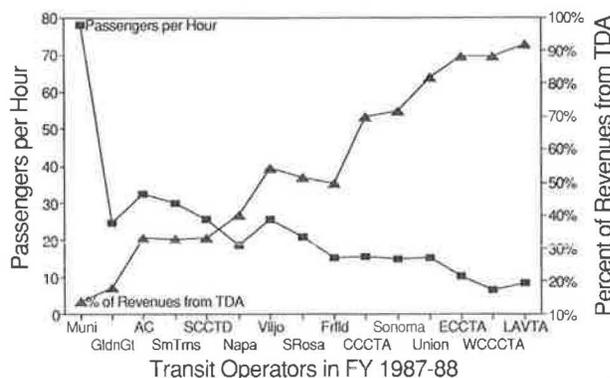


FIGURE 6 A comparative plot of TDA subsidies and service effectiveness.

TABLE 5 COUNTERVAILING PATTERNS OF TDA FUNDING AND SERVICE EFFECTIVENESS (FY 1987-1988)

Operator	Annual Ridership per Capita	Passengers per Vehicle-Hour	Percent of Operations Funded by TDA (%)	TDA Subsidy per Passenger (\$)
<b>Central City Operators</b>				
San Francisco Muni	329.2	78.2	13.8	0.13
AC Transit	56.5	32.5	33.2	0.66
Average	192.8	55.3	23.5	0.40
<b>Large Suburban Operators</b>				
Santa Clara County Transit	24.8	25.5	33.2	0.97
SamTrans	27.8	30.1	33.1	0.63
Golden Gate Transit	28.3	24.6	18.3	0.78
Average	27.0	26.7	28.2	0.79
<b>Small Suburban Operators</b>				
County Connection (CCCTA)	8.5	15.7	70.0	2.01
Vallejo Transit	14.0	25.8	54.3	0.77
Santa Rosa CityBus	9.9	20.9	51.6	0.92
Sonoma County Transit	6.2	15.1	71.7	2.52
TriDelta (ECCTA)	3.3	10.3	88.2	3.32
Napa VINE	7.5	18.6	40.3	0.68
Wheels (LAVTA)	3.0	8.3	92.0	5.08
Union City Flea	7.9	15.3	82.1	2.22
Fairfield Transit	3.0	15.4	49.8	1.17
WestCAT (WCCCTA)	3.8	6.5	88.1	4.20
Average	6.7	15.2	68.8	2.29

NOTES: Golden Gate Bridge Tolls provide 60.5 percent of Golden Gate Transit's subsidies. Vallejo, Santa Rosa, Sonoma, Napa, and Fairfield are in counties that spend TDA funds on streets and roads.

SOURCE: Metropolitan Transportation Commission, Oakland, Calif. (6,7).

TABLE 6 PROPOSED REDISTRIBUTION OF TDA FUNDS IN THE SAN FRANCISCO BAY AREA (FY 1987-1988)

Transit Operator	Fare Revenues		FY 1987-88 TDA Allocation (\$)	Proportional TDA Allocation (\$)	Percent Change (%)
	Amount (\$)	Share (%)			
San Francisco Muni	71,176,000	51.2	17,056,000	56,060,895	228.7
AC Transit	30,124,000	21.7	25,315,000	23,726,795	-6.3
Santa Clara County Transit	11,338,000	8.2	34,313,000	8,930,235	-74.0
SamTrans	7,797,000	5.6	11,563,000	6,141,210	-46.9
Golden Gate	14,444,000	10.4	6,817,000	11,376,637	66.9
County Connection (CCCTA)	1,719,000	1.2	3,788,000	1,353,949	-64.3
Vallejo Transit	555,000	0.4	1,215,000	437,138	-64.0
Santa Rosa CityBus	503,000	0.4	1,236,000	396,181	-67.9
Sonoma County Transit	541,000	0.4	2,113,000	426,112	-79.8
TriDelta (ECCTA)	171,000	0.1	1,581,000	134,686	-91.5
Napa (VINE)	130,000	0.1	296,000	102,392	-65.4
Wheels (LAVTA)	126,000	0.1	2,007,000	99,242	-95.1
Union City Flea	145,000	0.1	984,000	114,207	-88.4
Fairfield Transit	114,000	0.1	306,000	89,790	-70.7
WestCAT (WCCCTA)	87,000	0.1	868,000	68,524	-92.1
Total	138,970,000	100.0	109,458,000	109,458,000	0.0

SOURCE: Metropolitan Transportation Commission, Oakland, Calif. (6,7).

## CONCLUSION

Although the preamble of the TDA seems unambiguous, "The Legislature hereby finds and declares that it is in the interest of the State that funds available for transit development be fully expended to *meet the transit needs that exist in California*" (emphasis added) (12), it is clear that transit needs are defined quite differently in economic and political realms. The TDA is not economic; in the name of fairness, the TDA pours millions of dollars each year into underutilized suburban tran-

sit systems around the state, systems that might not exist without TDA funding. In politics, however, the TDA works. In the past, rural and suburban legislators have opposed the shifting of TDA funds across county lines on fairness grounds, and will likely continue to do so.

Although one can argue that a minimum level of transit service should be provided in all parts of metropolitan areas, this examination of California's TDA has shown that ubiquitous metropolitan transit service is an expensive proposition.

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