

Testimony

Of

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Hearing on Safety and Sustainability of Public

Transportation in Pennsylvania

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Good afternoon, Chairman Langerholc, Chairman Flynn and Members of the Senate Transportation Committee, thank you for coming to Philadelphia and holding this important hearing on public transportation safety and sustainability. My name is Leslie Richards, General Manager and CEO of the Southeastern Pennsylvania Transportation Authority (SEPTA). I am pleased to appear before you together with our SEPTA Police Chief Thomas Nestel to discuss everything SEPTA is doing to keep the system safe for our customers and employees and sustain service to help drive the region and state through recovery from the coronavirus pandemic.

I am honored to lead a resilient and determined 9,000-person strong workforce who have seen their personal and professional lives upended over the past two years and who have continued working day and night to safely move the people of this City and region. If there is one thing the pandemic has taught all of us, it is the definition of essential, and I am extremely proud that SEPTA's essential workers have made it possible for other essential workers to do their jobs and support our region through this difficult time.

The SEPTA service area – Bucks, Chester, Delaware, Montgomery and Philadelphia Counties – is the economic engine of the Commonwealth of Pennsylvania. Together, our five counties generate 42 percent of the state's economic activity, with 32 percent of its population on just five percent of its land. Southeastern Pennsylvania produces 38 percent of annual General Fund revenues, and between 2010 and 2020, this region accounted for 133 percent of the state's population growth.

A region as dense and economically productive as southeastern Pennsylvania simply cannot function without high-capacity mass transit to keep people moving.

Since the passage of Act 89 of 2013 – Pennsylvania's transportation funding plan – SEPTA generates more than \$3.4 billion in annual statewide economic activity and has catalyzed additional growth and development in the southeast region. Additionally, each year, SEPTA construction projects and operations support more than 25,000 Pennsylvania jobs and earnings of more than \$1.8 billion.

Act 89 provided SEPTA a future and a path to eliminate its more than \$5 billion state of good repair backlog over a period of 20 years. SEPTA has made critical infrastructure investments to keep the existing system safe and reliable, and our state of good repair backlog now stands at \$4.6 billion. The benefits of those investments extend well-beyond southeastern Pennsylvania. Between 2015 – 2020, SEPTA purchased more than \$1.5 billion in goods and services from Pennsylvania companies in 40 of Pennsylvania's 67 counties.

These metrics underpin how investment in SEPTA pays dividends throughout the region and the state. The COVID-19 pandemic has significantly impacted patterns of activity and mobility over the course of the past two years; however, the region continues to maintain its leading role in

the statewide economy. Recovery will take time, but the region's fundamentals are strong due in large measure to SEPTA service and the level of commerce and mobility we support.

One of the greatest challenges of the post-COVID era is bringing workers and visitors back to offices and attractions and restoring the vibrancy of our great city and region. To achieve this, the region needs a strong mass transit system to support our recovery. Rebuilding SEPTA ridership is critical to meeting this moment, and we are doing everything we can to bring riders back.

We know, however, that personal safety considerations and perceptions are impacting how, and even if, people choose to ride SEPTA.

SAFETY

While the issues of violence, homelessness, and drug addiction reflect broader societal challenges, SEPTA has a responsibility to our customers and the communities we serve to provide the safest and most reliable service we can. Physical violence, sexual assault and ethnic intimidation are horrific crimes and cannot be tolerated on SEPTA.

In response, we are continually refining and strengthening safety and security strategies in order to preempt the conditions that contribute to illicit activity, respond to reported crime, and quickly apprehend suspects. Additionally, strong partnerships with the Philadelphia Police Department, other regional law enforcement agencies and victims' rights organizations allow SEPTA Transit Police Officers to coordinate crime prevention and response strategies.

After an increase in violent crime brought about by the pandemic, we are starting to see some encouraging signs that indicate incidents of violent crime reported on the system have gone down in the first quarter of the year, as ridership increased from January through March.

SEPTA's Transit Police Department is a leader in innovative policing strategies becoming the first department in the region to equip all officers with body worn cameras, supplying officers with Narcan to treat opioid overdoses, cross training officers as Emergency Medical Technicians, and establishing the Serving a Vulnerable Entity (SAVE) Unit – a national model co-responder program that pairs Transit Police Officers with social workers. The Transit Police Department deploys several special operating units, including a SORT team, plainclothes officers and K-9 units, and employs a variety of patrol and response tactics, including high intensity beats, operator safety checks, quality of ride checkpoints and undercover operations.

SEPTA currently has 210 sworn Transit Police Officers, and we work to deploy these officers strategically to protect our customers and employees throughout the service territory.

The challenges related to the recruitment and retention of qualified police officers is a national crisis, as departments across the country, including the Philadelphia Police Department, work to

reach required staffing levels. SEPTA is actively recruiting new officers all the time, and our Labor Relations team met with the Fraternal Order of Transit Police last Thursday to discuss options around how to make Transit Police compensation as competitive as possible in the current job market. Another meeting is scheduled for Monday, May 9 to continue these important discussions.

While we are focused on recruiting more officers and retaining those already on the force, we are also deploying a variety of supplementary personnel – civilian administrative staff, social workers and third-party security guards – which are a force multiplier that helps maximize our existing Transit Police force, freeing up officers to focus on law enforcement activities.

To be clear, none of these auxiliary programs are intended to replace law enforcement. However, the nature of the current challenges related to vulnerable individuals seeking shelter on the SEPTA system and evolving attitudes about policing require a holistic, service-based approach to safety on the SEPTA system.

- Beginning as a pilot in 2020, the **Transit Police SAVE Unit** now has seven teams of Police Officer-Outreach Specialist teams patrolling the SEPTA system to connect those in need to substance abuse treatment, behavioral health services and other assistance.
- This April marked the one-year anniversary of the creation of SEPTA’s **SCOPE program** – which stands for Safety, Cleaning, Ownership, Partnership and Engagement. The SCOPE team works closely with SEPTA Transit Police, Operations, and System Safety personnel to provide outreach services to members of the vulnerable community. And in a one-of-a-kind partnership with two local universities, first year medical students and undergraduates are now serving as “health navigators” on the system.

During 2021, SAVE and SCOPE together had nearly 5,000 engagements and made hundreds of referrals to social service providers, and last fall, the SEPTA Board authorized \$3.6 million in contracts to third-party providers to support the SCOPE and SAVE initiatives.

- Last week, SEPTA formally introduced another component of our safety program – our **SEPTA Outreach Specialists**. In February, the Board awarded \$6.6 million in contracts to third-party firms to provide a visible presence in high volume stations and on the Broad Street and Market-Frankford Lines. These additional personnel will notify SEPTA Transit Police of safety and quality of life issues, engage riders to provide direction and referrals to Customer Service, advise riders of behavior rules, and connect the vulnerable population with SCOPE and SAVE resources. Eventually, the Outreach Specialists program will add 88 additional “eyes and ears” to Broad Street and Market-Frankford Line stations and vehicles every day and will also assume station opening and closing duties.

By augmenting traditional policing strategies with social service partnerships, we can help preempt conditions for criminal activity to take place while building stronger relationships with the communities we are entrusted to serve.

SEPTA is also working to leverage existing technology, including our network of nearly 30,000 stationary and vehicle based cameras, to support Transit Police officers patrolling the system. These cameras will also be integral to the implementation of the Virtual Transit Police Patrol program that is currently being developed and also provide critical images of suspects that are distributed via BOLO notices.

We continue to heavily promote the Transit Watch App as an immediate, discreet way for customers to talk in real time with SEPTA Transit Police about an incident. The Transit Watch App is free to download to Apple and Android devices. Seconds matter in an emergency, and every SEPTA customer and employee with a smartphone should download it to their phone and become familiar with how to use it.

And to improve overall quality of life on the system, we are enhancing cleaning efforts throughout the system and hiring more personnel, providing them with new equipment and providing them with resources to serve as additional eyes and ears on the system. We recently completed hiring of 200 additional cleaners, and over the past two years SEPTA has invested \$400,000 in new heavy-duty equipment to improve cleaning and efficiency. Additionally, as part of our overall safety efforts, each cleaner is equipped with a SEPTA phone to communicate with Transit Police and other Operations personnel to quickly alert transit police and others when assistance is needed.

Following a successful effort last year, SEPTA is resuming its program of station cleaning and maintenance blitzes at high priority Broad Street and Market-Frankford Line Stations this spring and summer. Beginning this past weekend and continuing through September, SEPTA forces will perform intense cleaning and maintenance at targeted stations with work focused on elevators, as well as painting, power washing, and installing enhanced lighting and new signage.

SEPTA's commitment to safety is unwavering, and we are directing financial resources in this year's budget to support existing and new initiatives to provide a safe and welcoming experience for our customers and employees. In Fiscal Year 2023, SEPTA has increased spending on safety and security by 50 percent – from \$35 million in FY 2022 to \$53 million in FY 2023 – to bring on new partners and augment personnel, equipment and technology to support our policing efforts.

SUSTAINABILITY AND RIDERSHIP GROWTH

COVID-19 has also had a severe impact on SEPTA's financial position. At the peak of the pandemic – with prolonged stay-at-home orders and other restrictions in place – ridership fell 92 percent on Transit and 98 percent on Regional Rail, and SEPTA was losing \$1 million per day.

Despite increasing ridership, SEPTA is still experiencing operating revenue shortfalls of approximately more than \$800,000 every day and our operating budget continues to rely heavily on the federal COVID relief packages. These federal funds have been a lifeline for SEPTA allowing us to sustain operations, preserve all jobs and position SEPTA to support the region through recovery.

However, SEPTA has already expended 50 percent – or more than \$850 million – of its total coronavirus relief funds. A recent \$96 million grant from an American Rescue Plan’s discretionary grant program will stretch the availability of federal relief to cover operating shortfalls only through the end of FY 2024 – two years from now. In every financial scenario, though, current federal aid will run out before SEPTA’s farebox recovery can return to pre-pandemic levels.

This increased reliance on short-term federal subsidies is unsustainable and presents a fundamental fiscal challenge moving forward. Rebuilding ridership is fundamental to SEPTA’s long-term viability and the region’s economic success.

SEPTA has made tremendous progress in the face of unprecedented challenges, and we are now providing more than 500,000 daily passenger trips. In March we reached pandemic-era ridership records of 53 percent of pre-COVID ridership on Transit and 44 percent of pre-COVID ridership on Regional Rail.

This growing ridership confirms what we have long known: transit will play a critical role in our region’s recovery and future going forward. However, these ridership numbers also expose significant obstacles ahead: including slower than projected ridership recovery and telework policies permanently altering how people work and commute.

Additionally, SEPTA’s Fiscal Year 2023 Operating Budget proposal released last month is specifically designed to address our challenges and support the efforts of our outstanding workforce to continue serving our customers and the region. It will fund a number of initiatives that will allow SEPTA to maintain current service levels, introduce new fare and travel options to make SEPTA even more flexible, continue to prioritize customer and employee safety and security, support ridership recovery and growth, achieve a balanced budget and improve the SEPTA experience for our customers and the communities we serve.

Specifically, the budget:

- Funds the commitments made in the labor agreement reached last October between SEPTA and TWU Local 234. I am pleased that we were able to reach an agreement with union leadership on a contract that avoided a work stoppage and that is fair to our frontline workforce, our customers and funding partners. The two-year agreement included a one-time pandemic payment, wage increases, and paid parental leave.

- Provides full-year funding for 200 new cleaners that have been recently hired to support enhanced cleaning of high-priority locations and new, strategic deployments on the Market-Frankford and Broad Street Lines.
- Includes increased funding for the Transit Police Department to staff the new “virtual patrol” unit, contracts with third-party firms to support the SCOPE and SAVE programs, and the first year of three-year security guard contracts to staff the SEPTA Outreach Services initiative.
- Funds full implementation of SEPTA’s Authority-wide Efficiency and Accountability program. Under the direction of a permanent Transformation Office, SEPTA’s Efficiency and Accountability Program is working to develop strategies and put in place procedures to drive organizational efficiency, productivity, and accountability. These cost-saving and revenue-generating opportunities will help put SEPTA on more stable financial footing, and ensure SEPTA has the right capabilities, mindsets, and resources to deliver on our Strategic Plan.

SEPTA also convened a Ridership Recovery Task Force to bring riders back to the system as COVID recovery progresses. This group identified a series of fare enhancements that utilize pricing as an incentive to increase ridership and promote seamless travel. The fare inducements in SEPTA’s proposed budget include:

- Reduced pricing for one-day and three-day passes
- Creation of a new Neighborhood FleX DayPass, which improves the convenience and affordability of Regional Rail travel
- Full roll-out of the new SEPTA Key Advantage Program. SEPTA Key Advantage is an employer-based all-access benefit program that allows employers to enter into an agreement with SEPTA to load “all access” passes for eligible employees, with employers covering the cost of employee participation in the program. SEPTA began piloting the program last week with employees at Penn Medicine, Drexel, and Wawa, and we have been encouraged to see that 63 percent of eligible employees have signed up to participate in the program. Under the proposed budget, the program will be made permanent and open to broader network of employers.

And because having a workforce built for the 21st Century is critical to meeting the needs of our riders, SEPTA is making a significant investment in the capacity of its Human Resources Department, providing additional tools and resources for recruitment and training to help accelerate hiring and onboarding of new Transit Police Officers and other employees, with a goal to restore departments to as close to fully capacity as possible over the next several years, allowing SEPTA to maintain and grow service levels as ridership returns.

We continue to do everything we can to both reduce costs and to welcome riders back to support the region’s reopening efforts. We are working with major employers, chambers of

commerce, transportation management associations, rider groups and other stakeholders to support their return-to-office plans, including helping to lead the Chamber of Commerce's Recharge and Recovery Task Force, as well as the City's Ready.Set.Philly initiative.

We have also developed a number of resources to help employers and riders returning to SEPTA for the first time since the start of the pandemic, including:

- Developing an employer Toolkit with service, health and safety, and fare information to help employees returning to the office
- Creating extensive, multi-media "SEPTA is the Way to Go" marketing campaign
- Participating in numerous major employer webinars and town hall meetings to discuss the service we are providing and everything we are doing to keep the system safe.

These focused and coordinated efforts are helping to drive ridership growth, as the region emerges from the pandemic. The more than 500,000 daily trips we are now providing are the equivalent of five sold-out Beaver Stadiums and more than the daily cars on the Schuylkill expressway and jobs in center city Philadelphia.

We have seen traffic on area roads approaching and, in some areas, exceeding pre-pandemic levels. SEPTA's 500,000 daily passenger trips provide relief from productivity crushing congestion. Congestion functions like a tax on business and exacerbates economic inequality. Philadelphia is still among the nation's 10 most congested cities (according to a February 2022 report), and Philadelphia area residents spend an extra 50 hours annually sitting in traffic. Traffic caused by volume of cars, package delivery trucks and Transportation Network Companies (TNCs) such as Uber and Lyft adds hundreds of millions of dollars in costs each year to bus and car passengers. Buses are impacted by traffic three times worse than cars due to the inability to deviate from their routes. Slower buses also cost more money to operate – to maintain the same level of service, just at slower speeds.

Looking longer-term, under the banner of SEPTA Forward, the Authority's Five-Year Strategic Plan – SEPTA is advancing a number of initiatives that will help SEPTA to transform our organization and services to meet the changing needs of our riders. Over the past year, SEPTA has made tremendous progress on initiatives to create a unified network. To grow ridership and build a more equitable future, riders must be able to use services interchangeably, for any sort of trip, at any time.

Bus Revolution – SEPTA is now midway through its three-year Bus Revolution initiative, which is redesigning our City and Suburban bus network to create an interconnected network to make bus service more reliable, efficient, and simpler to use.

Wayfinding Master Plan – As part of the overarching Project Metro initiative – which is working to unify the Market-Frankford Line, Broad Street Line, Norristown High Speed Line, and trolleys

as a single, easy to use network with new maps, signage, and communication – SEPTA is advancing its Wayfinding Master Plan that will install new signage across the Metro system to make stations easier to navigate, improving real-time information with enhanced screens, and redesigning our mobile app and website.

Reimagining Regional Rail – SEPTA Forward envisions Regional Rail as part of a lifestyle network of frequent, all-day, and all-week services that connects people to a range of destinations across the region, and the SEPTA team is working with stakeholders to create a vision of what that looks like and identifying the infrastructure, equipment, operations, and policies needed to achieve this goal.

INFRASTRUCTURE INVESTMENT TO SUSTAIN SERVICE AND CATALYZE STATEWIDE GROWTH

Longer-term, SEPTA's critical role moving the region, as well as its future capacity to support jobs and economic growth in the Commonwealth will be determined by its ability to address its \$4.6 billion backlog of infrastructure rehabilitation and vehicle replacement needs and invest in Projects of Regional Significance that will add capacity to propel our region.

Beginning in Fiscal Year 2023, the transition of Act 89 transit capital funding obligations from the Pennsylvania Turnpike Commission to the Motor Vehicle Sales and Use Tax will affirm Pennsylvania's commitment to transit infrastructure and ensure that critical investments made possible by Act 89 will continue to support the state's transit systems and broader recovery.

For SEPTA, this transition will provide bondable funding options to put the Authority on a sustainable path. SEPTA is able to leverage against forecasted state revenues to issue bonds to support critical capital investments to address our \$4.6 billion state of good repair backlog and plan for future service improvements.

Coupled with the recently passed Bipartisan Infrastructure Law – which will provide SEPTA with approximately \$500 million in additional capital formula funding over the five-year life of the bill, about \$100 million per year above current federal formula levels – SEPTA is able to move forward with a \$1.1 billion capital budget in Fiscal Year 2023. Over the next 12 years, we intend to invest \$11.4 billion to bring assets to a state of good repair, maintain safety, enhance accessibility, meet the Authority's financial obligations, advance strategic objectives and implement system improvements to enhance transit service for the future.

While these are historic capital budgets for SEPTA, our investment levels continue to trail competitor regions, which are spending double SEPTA's capital budget. As a result, Pennsylvania is losing out to competitor regions that are investing billions to attract companies and win new jobs.

SEPTA has worked with state and local stakeholders to identify and advance a program of Projects of Regional Significance – including King of Prussia Rail, Trolley Modernization and the

replacement of one of the oldest rail vehicle fleets in the nation – that will allow the Authority to meet the future mobility needs of our growing region. To achieve these infrastructure goals, new funding local funding options are needed to allow counties and regions to secure federal funding and invest in their priorities.

This is not a new concept, and legislative momentum exists to develop those options now. The Southeast and Southwest Partnerships for Mobility – two regional workgroups comprised of business and civic leaders – and the Pennsylvania Transportation Revenue Options Commission Report issued reports recommending local funding measures to meet Pennsylvania’s growing transportation needs. We were pleased that Chairman Langerholc’s DRIVE SMART Act and House Transportation Committee Chairman Hennessey’s HB 2366 both include local investment recommendations to ensure that Pennsylvania’s transportation network can support and drive economic growth.

With local funding supporting new federal investment, SEPTA’s new strategic plan – SEPTA Forward – and our Projects of Significance like Trolley Modernization and KOP Rail will accelerate regional employment growth, add Billions in increased state and local tax revenues and stimulate more than two times (2X) return on investment. Based on recent economic analysis, KOP Rail will create an estimated additional 5,400-6,300 local, family-sustaining construction related jobs in southeastern Pennsylvania, generating up to \$602 million in middle class worker earnings, and Trolley Modernization will catalyze over 38,000 permanent jobs across the region.

SEPTA is proud to support the ongoing recovery and maintain our region’s role as the engine of the entire state. We are making investments in operational and customer safety to create a safe environment for our customers to ride and for our employees to work, and our Ridership Recovery Taskforce is developing strategies to maximize efficiency, productivity and customer experience to grow ridership.

After two years of uncertainty, the pieces are coming together for SEPTA to advance a fresh vision for the future with transit at the core of a resilient, prosperous, and equitable community for everyone.

Significant challenges exist – including safety and security, sustainable funding, and evolving mobility needs – and we look forward to working with the members of this Committee, the General Assembly and all stakeholders to advance our priorities, meet our goals and overcome any obstacles – together.

The state’s continued support of public transportation and SEPTA’s Operating and Capital Budgets is greatly appreciated, and we appreciate your holding this important hearing. I am happy to answer any questions.