Testimony

Of

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Good morning Council President Clarke, Transportation Committee Chair Johnson, members of City Council and other guests. I am Jeff Knueppel, and I am honored to come before you today as the General Manager for the Southeastern Pennsylvania Transportation Authority (SEPTA). I am joined by SEPTA Philadelphia Board member, Michael Carroll, Deputy Managing Director, Office of Transportation, Infrastructure and Sustainability (OTIS).

I am pleased to submit testimony supporting the Authority’s $87.6 million Fiscal Year 2020 Operating Budget request and provide the members of Council with an overview of SEPTA initiatives and milestones achieved during the past year.

SEPTA’s operating budget is funded through subsidies from local, state and federal governments, the fare box and other revenues. The City’s $87.6 million contribution represents six (6) percent of the Authority’s total operating budget, and enables SEPTA to meet its state legislatively mandated requirement to secure local matching funds to match state operating subsidy dollars of approximately $739 million. SEPTA’s Fiscal Year 2020 operating budget maintains current service levels, with no increase in fares for customers.

For SEPTA’s Fiscal Year 2020 capital budget, the City’s $4.58 million contribution will support a Capital Program of approximately $675 million. SEPTA is investing in critical infrastructure in Philadelphia and advancing projects including: modernization of 30th Street Station on the Market–Frankford Line, expansion of the Wissahickon Transportation Center, accessibility improvements to Susquehanna-Dauphin and Tasker-Morris Stations on the Broad Street Line, ongoing rehabilitation of the 15th Street and City Hall Stations complex, and continued improvements to the Center City Concourse network.

Council’s continued support to allocate operating and capital funds in the City’s budget is greatly valued. SEPTA also works with transit advocates to preserve and protect state and federal funding that is critical to our operations and state of good repair efforts. It is, however, an uncertain time for public transportation funding.

At the state level, transportation funding is facing serious consequences as a result of a lawsuit filed in federal court by the trucking industry against the Pennsylvania Turnpike Commission. Although the judge dismissed the lawsuit on April 4, 2019, an appeal was immediately filed, again challenging the constitutionality of using Turnpike tolls for public transit. As a result, the Turnpike has not made its four quarterly Fiscal Year 2019 payments to PennDOT for transit capital funding.
Despite these uncertainties, SEPTA is working hard to support the mobility and livelihood of the people who live, work and visit Philadelphia and the southeast region. Southeastern Pennsylvania produces 41 percent of the state’s economic activity, with 32 percent of the state’s population, on just five percent of its land. This level of productivity would not be possible without a safe, accessible, and expansive mass transit network. Every day, SEPTA’s 2,800 trains, buses, trolleys and paratransit vehicles provide one million trips across the region to work, school, medical services and recreation. From social responsibility and environmental sustainability to quality of life and economic opportunity, SEPTA is proud to be the backbone of this region.

Transit remains, by far, the most affordable way to get around. A study this year by Econsult Solutions found that transit ridership saves the average Philadelphia household nearly $1,000 per year by requiring fewer cars and less driving. Transit is also the safest way to travel – 10 times safer than driving. And public transit has always been a more environmentally friendly alternative. Nationally, transportation is the largest source of greenhouse gas emissions at 28 percent. However, in Philadelphia – home to a strong transit network – transportation accounts for only 17 percent of emissions.

SEPTA is also contributing to this lower rate of emissions through our award-winning Sustainability Program. SEPTA has completed the first of four solar panel installation projects at 2nd and Wyoming. Another installation is underway at the Callowhill District maintenance building to be followed by projects at Fern Rock and Roberts Shop at the Midvale Complex. Once completed, the project will represent the second largest solar installation in Philadelphia history. SEPTA continues to operate the largest wayside energy storage program in the transit industry, an innovative approach to producing significant energy cost savings for operations on the subway/elevated system.

SEPTA also operates one of the largest “green” bus fleets in the nation, and by 2021, more than 90 percent of SEPTA’s fleet will be hybrid or battery-electric. The first of 25 new electric buses are being piloted on Routes 29 and 79 in South Philadelphia and will operate out of the Southern District at 20th and Johnston, where charging equipment has been installed to accommodate the fleet. SEPTA’s electric bus fleet is growing, and 10 more are being procured with funding from a federal grant SEPTA received last August. SEPTA is now reviewing proposals to convert 20 percent of our electricity demand to renewable sources. That contract should be awarded this summer. In addition, SEPTA continues working with the City on stormwater management, participates on the Zero Waste and Litter Cabinet and recently participated on the City’s Electric Vehicle Policy Task Force.
SEPTA is an active partner in the communities we serve, and I am pleased to note that 620 SEPTA volunteers participated in the Annual Philly Spring Clean Up earlier this month, cleaning up around stations throughout the city. Additionally, SEPTA hosts farmers markets near heavily traveled stations. In FY 2018, SEPTA hosted farmers markets within two blocks of Olney Transportation Center, 46th Street Station, Frankford Transportation Center, Allegheny Depot, and Broad & Snyder. To ensure healthy growth of food, each farmers market is set to open during later this spring or early summer.

SEPTA is building the future with a strong and diverse workforce of 9,500 employees who reflect our ridership and the communities we serve. Fifty-one percent of SEPTA employees live in Philadelphia – 63 percent of our workforce are minorities and 23 percent are women. In the last three years, 68 percent of SEPTA new hires are minorities, and 28 percent are women.

Workforce development is a priority, and SEPTA is committed to improving equity and diversity in our management ranks. Five years ago, women and minorities made up 52 percent of SEPTA’s salaried, administrative, management (SAM) employees. Today, 59 percent of SAM employees are minorities or women. Over the same period of time, the percentage of SEPTA’s workforce that reports to a minority or a woman has grown significantly. Currently, 45 percent of our employees report to a minority or woman supervisor – up from 26 percent in 2014.

SEPTA’s Women in the Trades initiative, highlighted by last year’s Women Building SEPTA career fair, is working to bring more women into trades and technical fields. SEPTA continues to need skilled employees to fill a wide variety of trades and technical positions. On June 22, we will be hosting a job fair for those looking to start or advance their career in transportation and skilled trades, and we continue to partner with technical schools and community colleges to ensure that SEPTA’s workforce can meet the needs of the future and reflect our diverse region.

SEPTA also values its important role in promoting economic opportunity. Our $1.69 billion annual economic impact on the City of Philadelphia supports 13,390 jobs and includes $1.1 billion in earnings. Between 2014 and 2018, SEPTA procured $369 million in goods and services from Philadelphia companies. SEPTA’s commitment to promote growth and opportunities for local business owners remains strong, and I am pleased to report continued progress in strengthening our federal Disadvantaged Business Enterprise (DBE) program.

SEPTA is one of only five agencies in the Commonwealth that still certifies firms as DBE. This year, we streamlined the DBE certification process to ensure timely approval, and there is currently no backlog. Our directory of DBE certified firms grew to 834, of which 24 percent are
Philadelphia based. Following the passage of Pennsylvania Act 89, the SEPTA Board authorized the application of DBE goals and procedures for all SEPTA procurements greater than $100,000 – regardless of funding source – to provide greater opportunities for small, minority and women-owned businesses to participate in SEPTA’s Capital program. Over the past 3 years, SEPTA has exceeded 16 percent DBE participation on newly awarded contracts.

Our outreach efforts remain strong. Every month we notify DBEs of upcoming contracting opportunities at SEPTA. We also send that information to all companies identified in the Office of Economic Opportunity’s (OEO) registry. Included with the notice is a reminder for firms to register in SEPTA’s electronic Procurement System (ePS) – another avenue for contracting opportunities. We also ensure that all OEO firms are alerted to contacting and networking opportunities with other agencies, as those events become available to SEPTA.

Throughout the year, we partnered with the City, elected officials and organizations to educate small, minority and women-owned businesses. These forums included the “Doing Business with the City of Philadelphia” in June; a State Senate sponsored “Diverse and Minority Business Forum” in September; SEPTA’s “Elevationships-Building Strategic Relationships to Boost Your Bottom Line” in conjunction with the City’s Minority Enterprise Development Week, and the upcoming Contractors Matchmaker Event. We will continue hosting forums on topics specific to this target market.

As is the case with transit agencies across the nation, we have experienced a decrease in bus ridership over the last few years. There are a number of factors that have impacted bus ridership, and SEPTA, in partnership with the Office of Transportation, Infrastructure and Sustainability, is taking a multi-pronged approach to reversing this trend and growing ridership. We believe we are headed in the right direction and there is reason for optimism. Notably, we are working closely with the City on Comprehensive Bus Network Optimization that will focus on getting more riders to more places faster, thereby creating a more efficient and attractive bus system. This will be a 2-3 year process, and it will be informed and guided by public outreach and engagement.

We are also taking steps in the shorter-term to enhance bus service. In March, we launched new bus frequency maps that highlight 15-15-5 bus routes – service that runs every 15 minutes or less, 15 hours a day from 6 a.m. to 9 p.m., Monday through Friday. We’ve received great feedback on this effort, and we’re looking to build on it in the coming months. We’ve also seen encouraging signs on the new Route 49, which already has 1,900 daily riders. Route 49 runs from Grays Ferry to Strawberry Mansion and serves AMTRAK’s 30th Street train station and University City, creating a one-seat ride for north-south travel to access job growth, education
and health care opportunities in University City. In addition, Direct Bus service on the Roosevelt Boulevard has seen sustained success – growing five percent between February 2018 and February 2019.

One of the major issues that has impacted service quality and reliability throughout the bus network is congestion. We are pleased with the successful partnership with the City of Philadelphia and PPA surrounding the Market and Chestnut Bus Lane Enforcement Program. Traffic congestion contributors, such as TNCs, delivery trucks, and illegal parking and stopping in the path of SEPTA buses in dedicated bus lanes all create significant obstacles to on-time performance. With focused enforcement beginning at the end of September, recent reports show that the bus travel time improved by 6.4 percent on those two heavily traveled corridors. Efficient travel time is imperative in improving bus ridership. We are grateful for this partnership and look forward to higher numbers as the program continues.

SEPTA’s 9,500 employees take immense pride in delivering reliable, accessible, sustainable and customer-focused public transit service every day, and safety and security are the foundations of everything we do. Customer and employee safety requires an Authority-wide commitment, preparation, and effective implementation of lessons learned. SEPTA invests considerable time and effort on public safety education, partnering with Operation Lifesaver and Vision Zero Philadelphia, among others. SEPTA also conducts station Safety Blitzes and participates in community events to continue to help our riders and the general public understand how to be safe on and around SEPTA vehicles and property. SEPTA’s yearlong public safety efforts are highlighted by our annual system-wide “Make the Safe Choice” safety awareness day. This year’s safety day is being held tomorrow, May 1st, and will focus on rail safety. SEPTA Ambassadors will be at Regional Rail and rail transit stations in the City to speak directly with customers and the public about transit and pedestrian safety.

The implementation of technology in public transportation has also proven successful in engineering out risk, and SEPTA continues to research and incorporate technology to help reduce accidents on the SEPTA system. Approximately 75 percent of SEPTA’s bus fleet is now equipped with bus turn alert technology that provides an audible external warning to pedestrians and others that a bus is changing lanes or making a turn. The entire bus fleet will be equipped by 2020. Additionally, to protect our operators, we are in the process of installing protective barriers on our entire bus fleet and studying the ability to retrofit our trolleys with similar operator protection. SEPTA is also in the process of installing training simulators for all rail modes to allow operators to train in real-world conditions. Installation of Regional Rail simulators is complete and simulators for other modes will be coming online over the next two years.
Securing the SEPTA system is another critical priority. The 230 members of the SEPTA Transit Police Department work to protect SEPTA customers and facilities throughout the region, and their law enforcement efforts are supported by a network of more than 28,000 cameras across SEPTA stations and vehicles.

SEPTA has partnered with ELERTS Corp. on SEPTA Transit Watch, a mobile app that empowers SEPTA customers to discreetly report security or safety issues directly to SEPTA Transit Police in a matter of seconds. The Transit Watch App is a way for them to communicate with SEPTA Transit Police and provide real-time information that can make a critical difference to responding personnel. Additionally, SEPTA is a partner in the regional “Look up. Speak Up” transit security campaign in partnership with Amtrak, New Jersey Transit and PATCO.

Recently, the Transit Police initiated a change in the way it enforces summary violations or fare evasions. The offenses are now processed administratively instead of through the Municipal Court. The fines are significantly less and do not become a part of a person’s criminal record. Repeat offenders are banned from the system and if arrested after being banned, are channeled into diversionary court to address the underlying issue that is causing the criminality.

The SEPTA Transit Police are also active participants in the PHL Resilience Project, a City initiative, and are committed partners in helping to address the opioid crisis. In response to the number of incidents on the SEPTA system involving mentally ill persons, SEPTA is piloting the use of a mental health response team to work alongside Transit Police Officers. During 2018, the SEPTA Transit Police responded to 390 incidents in which officers delivered Naloxone to overdosing persons.

The last year has seen major progress in the implementation of SEPTA Key. Today, most of our riders in the City who use buses, subways and trolleys have made the switch to the Key, and are experiencing the benefits of the modernized fare system.

There are now one million Key cards in circulation. More than 268 million rides have been taken using Key cards. Last month, we launched a refreshed, responsive SEPTA Key website, and we continue to seek public input for recommendations and improvements. As part of our broad Hispanic Outreach Program, we are working with agencies whose clients do not speak English as their first language for their input on the site.

Last April marked the end of token sales for individual riders, and token sales to organizations ended earlier this month. In an effort to reach more individuals and organizations in providing
SEPTA fare products and SEPTA Key information to their clients, we developed and communicated with a comprehensive list of 900 individuals at 780 local organizations. To accommodate human services agencies, SEPTA developed the Partner Program – a new on-line purchase website and distribution process, eliminating the need to go to a SEPTA Sales Office to purchase fare products. More than 450 organizations have registered and are participating in the Program. With input and feedback from organizations and individuals, SEPTA created Partner Passes in various forms to allow them the flexibility to provide transit fares in a way that best serves their clients’ needs.

Customer feedback has also resulted in other changes and improvement to the Key program. The minimum amount to load on the Key card was reduced to $5.00, and the $4.95 cost of the Key card will be returned to customers once their card is registered. Key cards are now available at 546 retail outlets, all Market-Frankford and Broad Street Line stations, nine sales offices, and 8 bus loops in Philadelphia, almost double the number of outlets that once sold tokens.

We continue to solicit and incorporate customer and partner feedback to make further enhancements. We began transitioning use of SEPTA Key to the railroad over this past fiscal year. Similar to the phased launch on transit, Zone launches have been phased so that questions and concerns can be fully addressed before SEPTA Key is fully launched on Regional Rail. The Center City stations are all gated and riders with a Key card must use them to access the train platforms. We have deployed numerous Key Ambassadors at stations throughout the system who stand ready to assist and educate transit customers with any questions. As token sales have ended, more than 350 cashiers will soon transition to customer attendants to enhance the customer experience. Customer input has been critical through the transition to the SEPTA Key, and will remain important moving forward.

Our program for seniors continues to be a huge success, with 212,000 seniors signed up for free travel with a SEPTA Key Photo ID Card. More than 28 million senior rides have been taken since the Senior Key ID program started. We are also continuing outreach to members of the disability community and have registered 28,000 eligible customers for Reduced Fare Cards. Many of your offices participate in signing up seniors for the SEPTA Key Senior ID program, and we are very grateful for your support of this important initiative.

Bringing SEPTA to a state of good repair is vital to customer and employee safety, accessibility and building strong ridership. This year, we advanced many projects to repair and improve SEPTA infrastructure and accessibility for our customers and the communities we serve.
During this past year, we broke ground on 5th Street/Independence Hall Station on the Market-Frankford line to improve transportation access to and around America’s birthplace. It will be transformed into a multimodal transportation hub with new headhouses, signage, and improvements to street level pedestrian connectivity.

SEPTA was fortunate to receive a U.S. Department of Transportation BUILD Grant to support the transformation of our 30th Street Station. The elevator installation at 31st and Market is underway, and we look forward to breaking ground this fall on a new transit gateway for University City, Drexel Square and the planned Schuylkill Yards development.

Our in-house forces completed renovations to the Wynnefield Regional Rail Station which include new lighting, a new glass block shelter, new signage, a paved parking lot and stormwater management. SEPTA’s project complements a new housing development that is being built within walking distance, and we are pleased to be supporting sustainable transit-oriented development for these new residents and our current customers.

SEPTA also continues to design and plan the renovation of the Wissahickon Transportation Center. As one of our busiest transit hubs, Wissahickon serves an average of 4,984 passengers every weekday across eleven bus routes. This project will significantly improve the customer experience and allow for new service and route extensions, including a permanent resolution to bus route 52’s routing concerns. Property acquisition is complete and we have coordinated with the City to design a feasible traffic pattern.

The Arrott Transportation Center Accessibility and Station Improvements project on the Market-Frankford Line is wrapping up. With the installation new elevators and accessible pathways at street level, this project will make Arrott Transportation Center fully ADA accessible. In addition to the accessibility improvements, the project will also include improved passenger amenities and enhanced lighting and security cameras.

When the Arrott Transportation Center is completed later this year, 25 of 28 Market-Frankford Line Stations will be fully ADA accessible. ADA improvements to 11th Street and Spring Garden Street Stations on the Market-Frankford Line are included in SEPTA’s proposed 12-year Capital Program. On the Broad Street Line, ADA improvements to Susquehanna-Dauphin and Tasker-Morris Stations, and City Hall Station are scheduled to break ground within the next two years, and accessibility improvements at Erie and Fairmount Stations are currently in design. A total of eight Broad Street Line Station accessibility projects are included in SEPTA’s proposed 12-year Capital Program. Assuming state and federal capital funding projections are realized, 27 of 28 Market-Frankford Line Stations and 20 of 25 Broad Street Line Stations will be fully ADA
accessible or in construction within 12 years. SEPTA’s entire bus fleet, and all 125 routes, are ADA accessible and we continue to work with our partners in the disability community to develop near-term improvements, and long-range initiatives like Trolley Modernization that will bring the system into full compliance with the ADA.

SEPTA continues to work with many stakeholders to help those experiencing homelessness in Philadelphia. We are proud of the successes at the Hub of Hope, and yet we recognize there are continuing challenges. Since opening in January 2018, the Hub of Hope has grown to offer the most necessary services to almost 2,000 unique visitors each week. Staff and volunteers connect people to shelters and treatment programs, providing 635 placements in the first quarter of 2019. During that same period, daily participants at the Hub of Hope received 405 medical visits, 1,466 showers and 716 loads of laundry. Still there are others who need help.

SEPTA is working with the City of Philadelphia and other stakeholders to ensure that the corridor outside of the Hub of Hope is safe, drug-free, and smoke-free for all. Together, we are increasing the presence of law enforcement and homeless outreach teams, providing public education and engagement, making infrastructure and signage updates, and identifying and addressing problematic individuals.

SEPTA is working hard to “Build the Future” and to support Philadelphia’s growth and opportunities. SEPTA is an enthusiastic partner with the City in many initiatives, including vital efforts to address homelessness, reduce litter, and rethink traffic solutions and improve pedestrian safety. We are proud of these partnerships and the successful outcomes that help make this City and region a better place to live, work and visit.

Thank you again for the opportunity to speak to you about SEPTA’s accomplishments over the past year. City Council’s continued support of public transit through City matching funds for the Authority’s Operating and Capital Budgets is greatly appreciated. We will be happy to answer any questions.