THE STATE ROLE IN PUBLIC TRANSPORTATION
February 7, 2011

The Legislature directed the Joint Transportation Committee to conduct a study to identify the state role in public transportation, and to develop a statewide blueprint to guide state investment in public transportation. The study included an evaluation of:

- Unmet needs of public transportation services
- The State role in addressing those needs
- Accessibility to public transportation services, connectivity between public transportation providers, and accountability measures to inform investments

This study was conducted from May – December, 2010, by a consultant team from Parsons Brinckerhoff. Key contributions to the study effort came from a 29-member Public Transportation Advisory Panel made up of legislators, transit and special needs providers, private operators, system users, large employers, and other transportation professionals.

BACKGROUND

Public transportation in Washington State today is both a local and state government responsibility. Public transit, one element of the public transportation system, is primarily a local responsibility, with local authorization and locally approved taxes providing 63% of revenues. The State contributes less than 1% of transit capital and operating needs. The State played a larger role until 1999, when passage of Initiative 695 led to repeal of the motor vehicle excise tax (MVET). In 1999, MVET provided 26% of public transit agency revenue -- $256 M.

The current economic downturn has significantly eroded local sales tax revenues, impacting local transit service. Many transit systems are reducing expenditures and service, and some are asking voters to approve higher sales taxes. However, some systems are already at the 0.9% statutory maximum sales tax rate, so are precluded from seeking additional sales tax revenue.

Current role of State government: The WSDOT Public Transportation Division works with public and private transit agencies and businesses to develop an integrated transportation system. It administers programs that will distribute in the 2009-2011 biennium $89 million in state funds, and $48-$50 million in federal funds, including $14 million in ARRA funds, and provide technical assistance related to:

- Commute trip reduction
- Trip reduction performance
- Vanpool investment
- Special needs transportation
Intercity bus service
Rural public transportation
Regional mobility

State and local governments provide the public roads infrastructure used by public transportation. The HOV lane system improves trip reliability and transit-only lanes, preferential ramp signals and park and ride lots enhance operations. Public transit is exempt from the motor vehicle fuel tax.

Public transportation is more than public transit. The State also invests in public transportation through its Amtrak Cascades passenger rail service, the state ferry system, and special needs transportation funded through human services and other public and non-profit agencies.

**Private sector contributions.** The private sector is a key player in the state's public transportation system. Private and private non-profit groups operate transit services and intercity bus operations, provide special needs transportation, and make other contributions. In many cases, business owners fund and/or operate services for their employees.

**EVALUATION OF UNMET NEED**

The consultants evaluated unmet public transportation capital and operating needs, and found the following:

1. **Revenue shortfalls.** The current recession has hit local transit agencies hard. Their primary funding source – the sales tax – dropped 12.7% statewide in 2009. In response, many transit agencies have cut services, imposed fare increases, sought local option tax increases, spent down reserves and deferred capital investments. While many agencies are focusing on efficiency measures, revenue shortfalls will lead to significant service reductions.

2. **Connectivity gaps** exist between transit systems, and are likely to increase in light of the revenue decreases. Gaps exist between transit systems, for inter-modal connections, and in inter-county and interstate services. These gaps include a lack of weekend service, limited service to ferry terminals and Amtrak stations, infrequent connections, and limited rural service.

3. **Rural needs.** Rural communities need transit service outside of typical core destinations and employment hours.

4. **Specialized transportation.** Unmet need in specialized transportation service includes a shortage of service hours, and need for transit information awareness, education and coordination, and better intercity service and connectivity.

5. **Ferry connections.** Ferry riders say improved public transportation connections at the destination end of the trip would increase the number of walk-on passengers.

6. **Population growth.** Washington’s expected population and employment growth will drive increased public transportation need. Rural communities will need increased services for a growing elderly population; many counties have no transit service at all. Urban areas will need additional services to address congestion, broader implementation of roadway tolling, and environmental considerations.
EVALUATION OF THE CURRENT STATE ROLE

In evaluating the current state role in public transportation, the consultants found the following:

1. **Policy setting.** The state plays an active role in setting policy and direction. The six transportation policy goals enacted by the Legislature identify goals and strategies for the transportation network. Policy objectives relate to growth management, congestion, greenhouse gas reduction, economic development, and safety.

2. **Operations.** The state plays a direct role through operation of the HOV lane system, the state ferry system, Amtrak Cascades passenger rail service, and programs such as commute trip reduction and intercity bus service.

3. **Authorizing local transit systems.** The state’s role for transit is primarily authorizing local agencies to provide and fund those services. The state provides limited direct financial support to transit systems through Regional Mobility and Special Needs Grants. The state’s biggest contribution is through facilities such as the HOV lane system.

4. **Coordination.** The state is actively engaged in state and federal grant coordination to meet rural and health and human service public transportation needs. In addition, WSDOT’s public transportation division administers programs implementing the Commuter Trip Reduction Program, several grant programs, and numerous federal and state planning and reporting efforts.

5. **Performance evaluation.** The state’s role in performance evaluation should be more focused to aid policy-makers in evaluating state investment in public transportation and to provide guidance for future investments.

STUDY FINDINGS AND RECOMMENDATIONS

The consultants’ main finding was that Washington does not have an integrated performance management system where performance of all forms of public transportation (transit, rail, ferry, vanpools, commute trip reduction, etc) is evaluated and measured together with highway system performance. As a result, policy-makers are not able to consider public transportation in the broader context of the state’s overall transportation system.

They also found that performance reporting is not tied to the state’s transportation goals, and while transit agencies submit statistics at the federal, state and local levels, these measures are not aligned with state goals.

Recommendations focused on these five themes:

1. **Multimodal integration.** Public transportation should be better integrated into the state’s transportation planning and programming activities. The state should move toward a multimodal transportation perspective.
2. **Policy refinement.** The state should adopt policies to maximize the effectiveness of public transportation and remove barriers to its use.

3. **Refocus resources.** The state should refocus existing funding and in the long-term, provide a new source of revenue for public transportation.

4. **Align reporting.** Reporting on public transportation should be simplified, better aligned with federal reporting, and consolidated with other transportation reporting to provide policy-makers a more comprehensive view of transportation across the state.

5. **Performance measurement.** All state, regional and local public transportation modes should use a consistent set of performance measures, and they should be integrated into the state’s reporting framework to enable policy-makers to identify public transportation trends in the broader context of the overall transportation system.

**BLUEPRINT FOR STATE INVESTMENT IN PUBLIC TRANSPORTATION**

The consultants recommended a blueprint for the annual evaluation of public transportation elements as part of the state’s assessment of the overall transportation network.

The state’s six transportation goals provide the foundation for the process. The state’s system should be an integrated network that includes both public sector and private sector transportation systems, whose performance is measured annually. The results of the analysis should be compiled in a summary report on public transportation that policy-makers would use as the basis for investment and policy decisions.

In making decisions, the report recommends that policy-makers should:

- Focus on the big picture, and integrate public transportation more systematically into statewide transportation planning to improve connectivity for all users;

- Focus on meeting state goals, such as mobility and environment;

- Acknowledge that because Washington is so diverse, one size does not fit all, and as a result a flexible approach is needed;

- Address the need for more stable and flexible funding; and

- Ensure that the basic mobility needs of people dependent on public transportation are met.