

Tough Times: How Transit Systems Are Responding To Revenue Loss

**Presented to the
Washington State Association of Counties
And
Joint Legislative Transportation Committee**

October 21, 2009

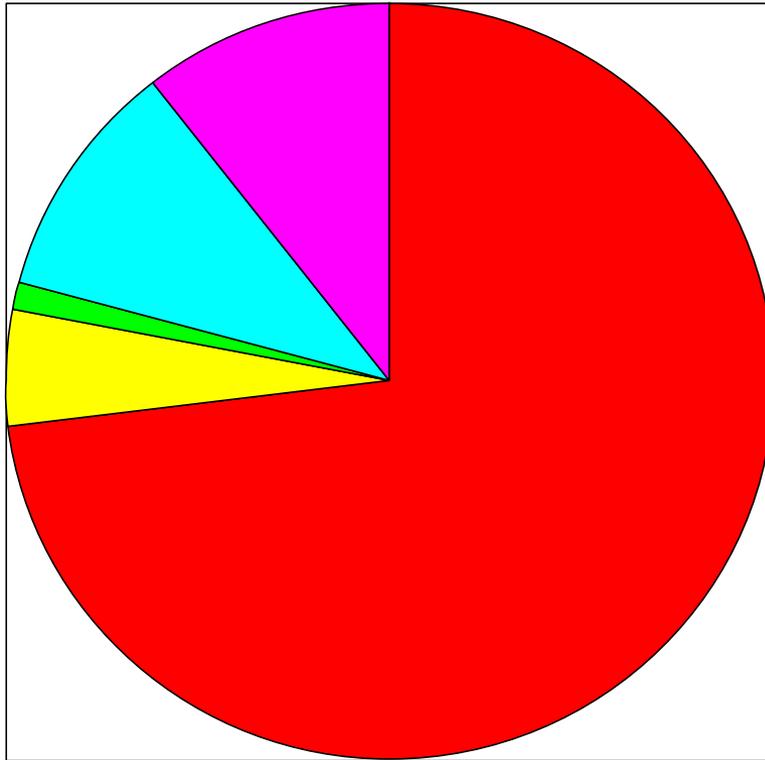
How Transit Systems Are Responding To Revenue Loss: Presentation Outline

- ***Transit in Washington – Expenses, Revenue, and Ridership***
- ***Economic Impact of Investments in Public Transportation***
- ***Sales Tax Revenue – 2007 to 2009***
- ***Reactions to Revenue Loss – Fare Increases, Service Reductions, Deferred Capital and Sales Tax Increases***

Public Transportation in Washington State

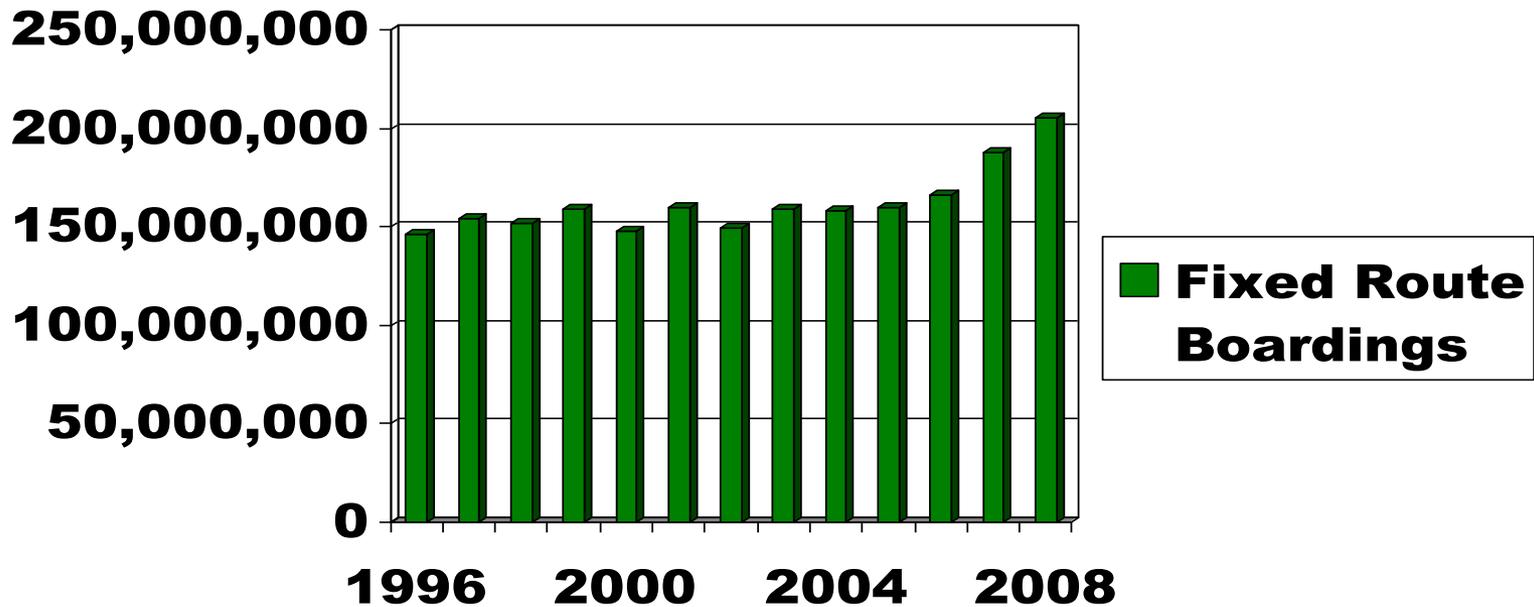
- ***28 Local and Regional Public Transportation Agencies Serving 87% of Washington Residents***
- ***7 Urban, 8 Small Urban, 13 Rural***
- ***205 Million Boardings in 2008 - +9.4%***
- ***4.93 Million Demand-Response Trips - + 3.9%***
- ***7.87 Million Vanpool Trips - + 21.1%***
- ***\$1,160,534,598 in 2008 Expenses***

Funding for Public Transportation - 2007

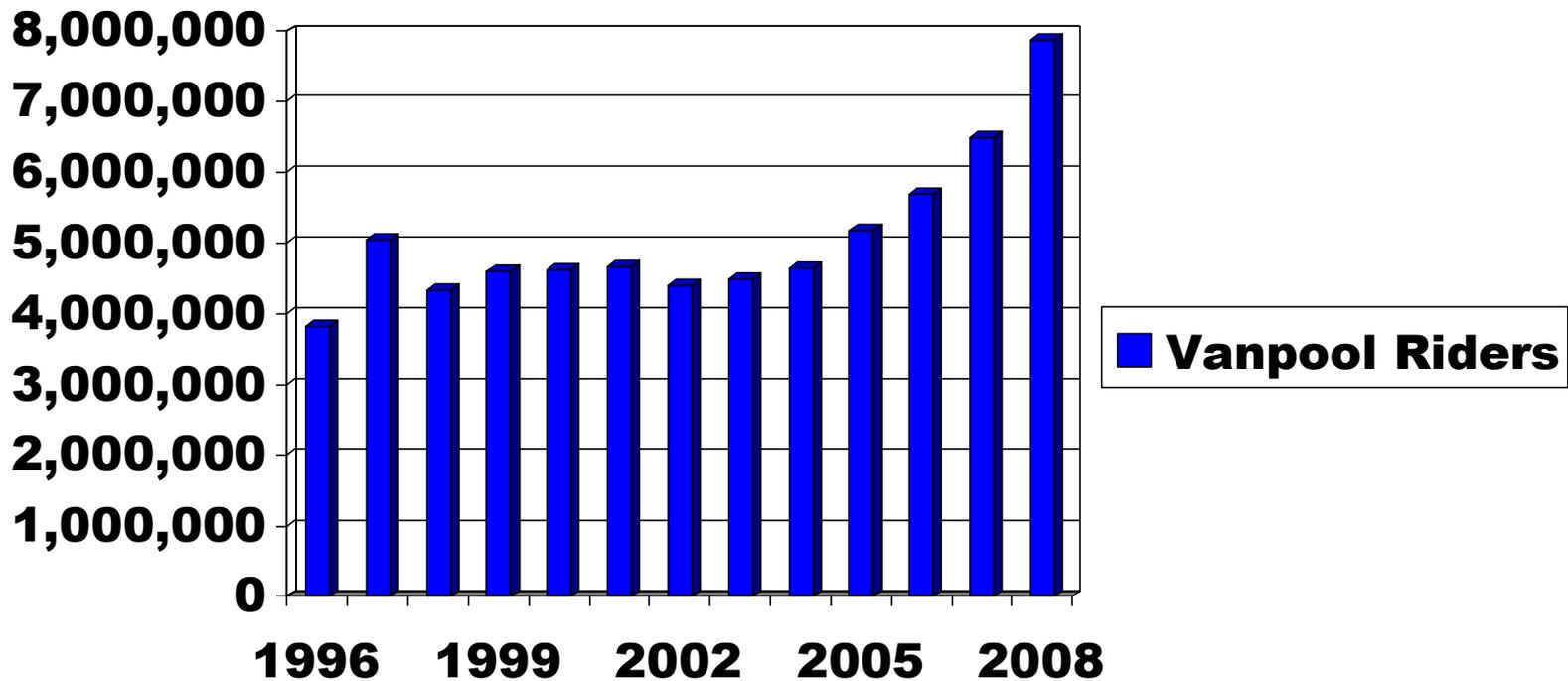


- Sales and Local Tax - 73.1%
- Federal - 5.0%
- State - WSDOT - 1.0%
- Other - 10.3%
- Fares - 10.7%

Public Transportation Fixed-Route Ridership - 1996 to 2008



Public Transportation – Vanpool Ridership 1996 to 2008

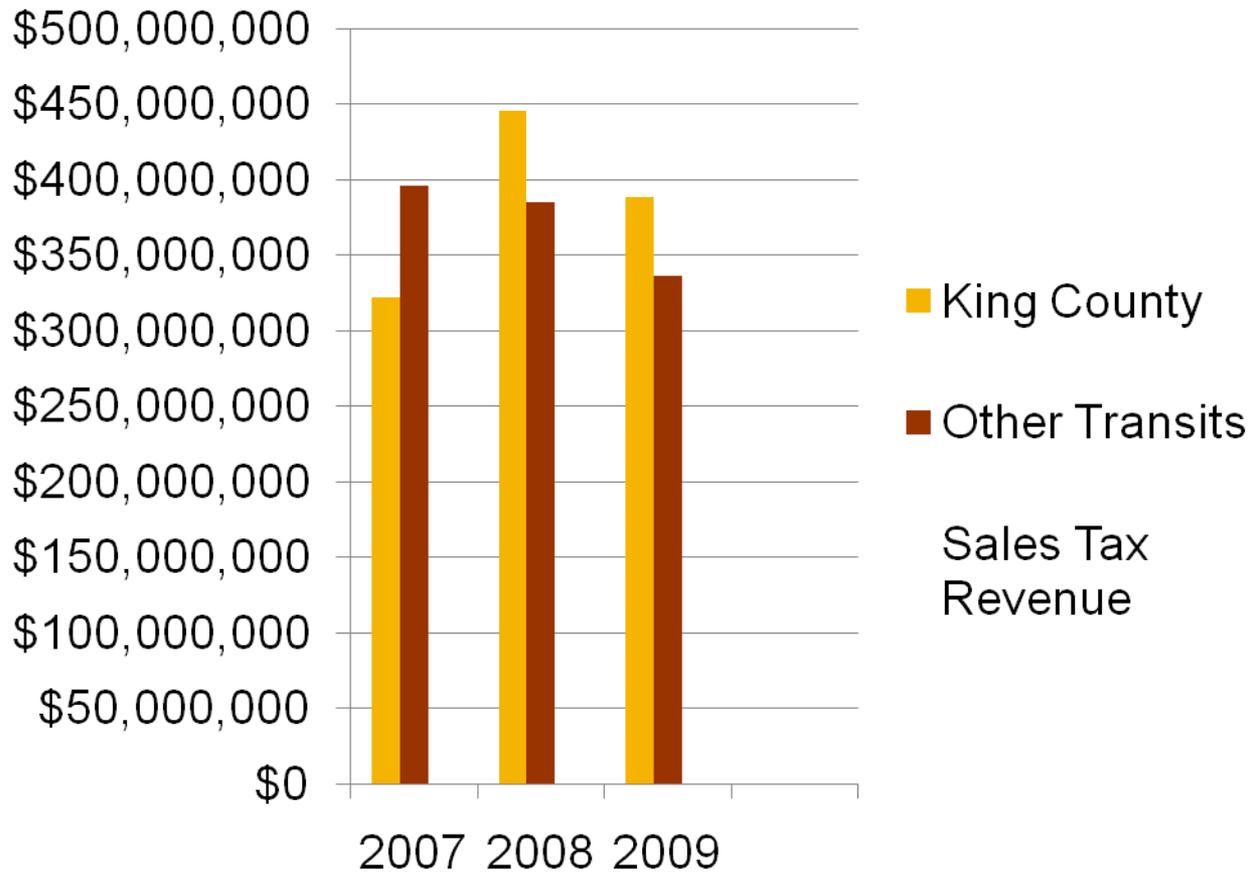


Impact of Public Transportation Investments

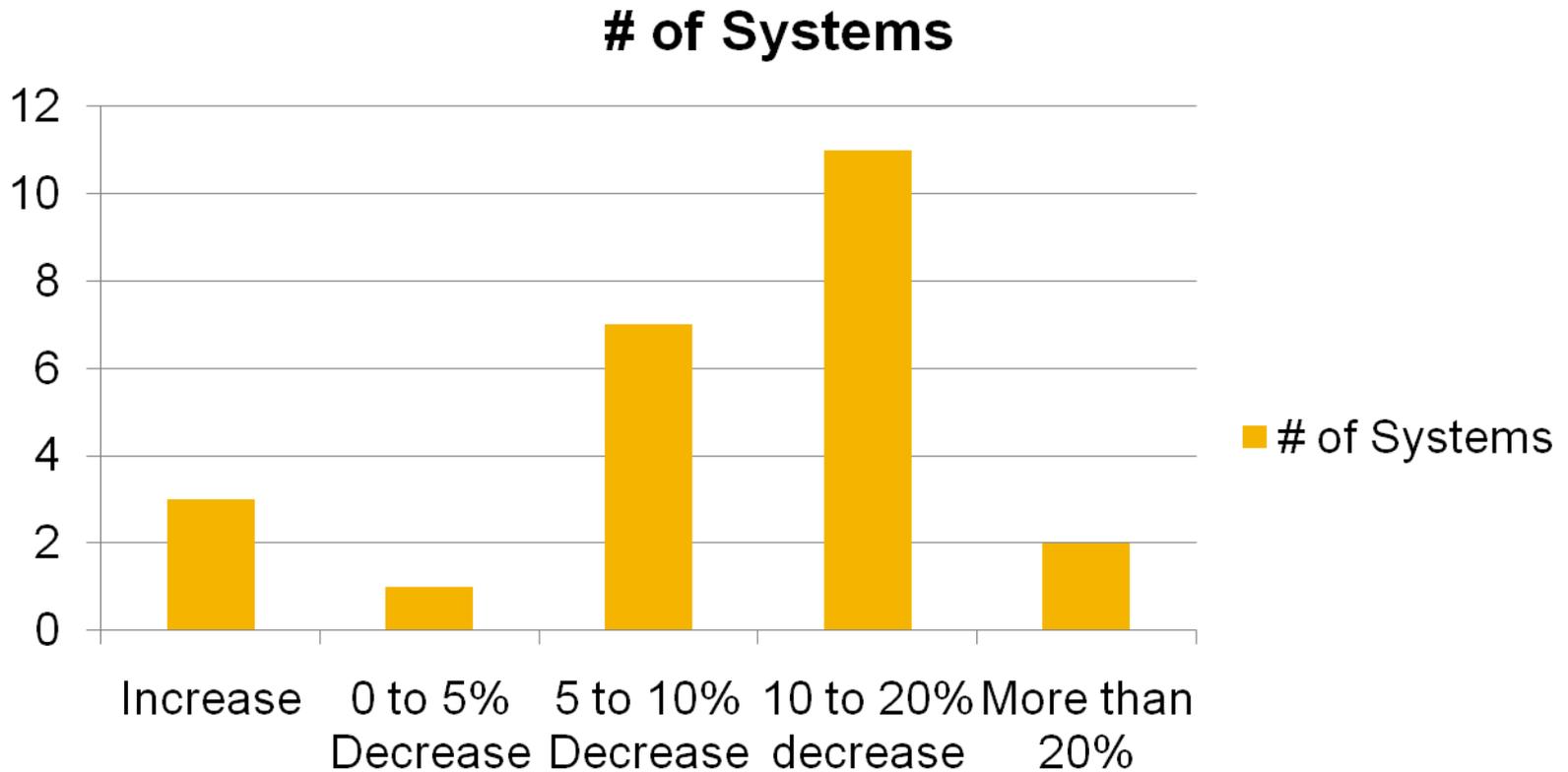
Direct dollar investments multiply through economy

- ***2008 - \$1,189,000,000 Washington transit systems' operating budget created 8,500 jobs at systems, and supported 48,000 jobs***
- ***\$1,022,000 in capital projects generated 30,600 jobs***

Sales Tax Revenue: 2007 to 2009



Level of Sales Tax Reduction by Transit System – 2008 to 2009



Transit System Actions to Address Sales Tax Revenue Reduction

- ***Fare increases***
- ***Deferred capital projects***
- ***Service reductions***
- ***Sales tax increase***

Fare Increases

- ***16 of 25 systems increased fare in 2008 or 2009***
- ***4 systems will increase fare in 2010***
- ***2 systems have a second increase scheduled in 2010***
- ***Most increases were in 20 to 33% range***

Deferred Capital Projects

- *13 of 25 systems have deferred capital projects*
- *4 have no new capital unless grant funded*
- *Facility and fleet expansions delayed*
- *Delayed replacement of vehicles is primary deferral – air quality and energy usage impacts. Increases operating cost.*

Service Reductions

- ***4 systems cut service in 2009***
 - *Jefferson, Kitsap, Link and Pierce*
- ***8 systems plan 2010 reductions***
 - *King, Community, C-Tran , Spokane, Whatcom, Ben-Franklin Transit, Grays Harbor and Valley Transit*
- ***Most systems will reduce after 2011 w/o additional revenue***

Sales Tax Increase

- ***3 systems (King County, Community Transit and island Transit) are at maximum .9% rate –Sound Transit is also at .9%***
- ***4 systems will likely seek increase in 2010***
- ***3 systems will likely seek increase in 2011***
- ***Kitsap Transit is at .8%***
- ***Many systems are reluctant to seek increase in current economic climate***

WSTA Proposal for State Role in Public Transportation

- *Identify new funding for public transportation and additional local options*
- *Increase capital and operating support in future years*
- *Continue and expand existing Special Needs and Rural Mobility programs*
- *Continue Regional Mobility program funding*
- *Expand Vanpool and CTR funding*
- *Encourage transit oriented development (TOD) – Land use and transportation must work together*