Tough Times: How Transit Systems Are Responding To Revenue Loss

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

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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

- 1996
- 2000
- 2004
- 2008

[Bar chart showing fixed route boardings from 1996 to 2008 with increasing ridership]
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

![Bar chart showing sales tax revenue from 2007 to 2009 for King County, Other Transits, and Sales Tax Revenue. The chart indicates a decrease in sales tax revenue from 2007 to 2009.]
Level of Sales Tax Reduction by Transit System – 2008 to 2009

The graph shows the distribution of sales tax reduction by transit systems from 2008 to 2009. The categories are:

- Increase
- 0 to 5% Decrease
- 5 to 10% Decrease
- 10 to 20% Decrease
- More than 20% Decrease

The number of systems in each category is represented by the height of the bars. The bar for 10 to 20% Decrease is the tallest, indicating the most common reduction level.
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