FINAL REPORT

State of Washington
LTC Public Transportation Study

Stage 1

Comprehensive, Statewide Policy Review of Public Transit Systems

January 1992

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PUBLIC TRANSPORTATION STUDY

Task 2B

HISTORICAL, CURRENT, AND PROJECTED TRANSIT REVENUE

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STATE of WASHINGTON

The Legislative Transportation Committee

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APPROPRIATENESS AND ADEQUACY OF CURRENT FUNDING

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Abstract - Historical, Current, and Projected Transit Revenue

This interim report covers the task 2.B.1 through 2.B.5 as detailed in the Public Transportation Study Stage 1 Statement of Work. The objective of this interim report is to explore the historical, current and projected revenues for public transit in the State of Washington and determine, based on the observed numbers, trends, conditions, sources and major changes, if any issues with state policy implications emerge. This review will include all sources of revenue to public transit agencies in the state including those from Federal, State and Local sources.

This report consists of five parts including:

- The Abstract highlighting major findings and conclusions of this interim report;
- A review of historical, current and future revenue from state and local sources;
- A review of historical, current and future revenue from Federal Sources;
- An analysis of revenue issues with state policy implications; and
- A description of the methodologies used to gather the historical revenue data and produce the projected revenue data.

The review of public transit revenue followed three basic steps. First historical data was collected from existing published sources, primarily the Urban Mass Transportation Administration (UMTA) Section 15, the Washington State Treasurer, and the Washington State DOT Public Transportation Systems reports. The accumulated revenue information then was distributed to transit agencies, along with cost and operating statistics, as part of the statewide transit survey, for review, verification and correction. The returned revenue data became the historical database for this study.

Second, existing projections of future transit revenue (including the forecasting mechanisms) were collected from transit agencies (also as part of the survey response), the State Department of Licensing (projections of MVET revenue) and existing Senate and House proposals for Federal Surface Transportation Act reauthorization legislation. A consistent process for incorporating these diverse sources of future revenue was developed in conjunction with a Technical Revenue Subcommittee with membership representation from the transit agencies, the State Department of Transportation, the State Department of Licensing and the staff of the State Economic and Revenue Forecast Council.

Third, the numbers, trends, conditions and major changes in the historical, current and future revenue were analyzed to identify issues with state policy implications. Particular attention was paid to the impact of the changes in MVET enacted in 1990 and programmed to take effect in 1993.

I. State and Local Revenue

The following discussion focuses on historical, current and future conditions and trends for state and local revenues to transit operators. State and local revenues are grouped together because all non-federal public funds flowing to transit districts, with the exception of High Capacity Transportation Account monies, are considered to be locally generated funds. This discussion focuses on the historical and the expected future revenue on a statewide basis. Given that the objective of this report is to search for revenue issues with state policy implications, much of the analysis is conducted at the state level, however, agency specific examples are used to illustrate particular issues.

A. Historical and Current Revenue by Source

1. Sales Tax

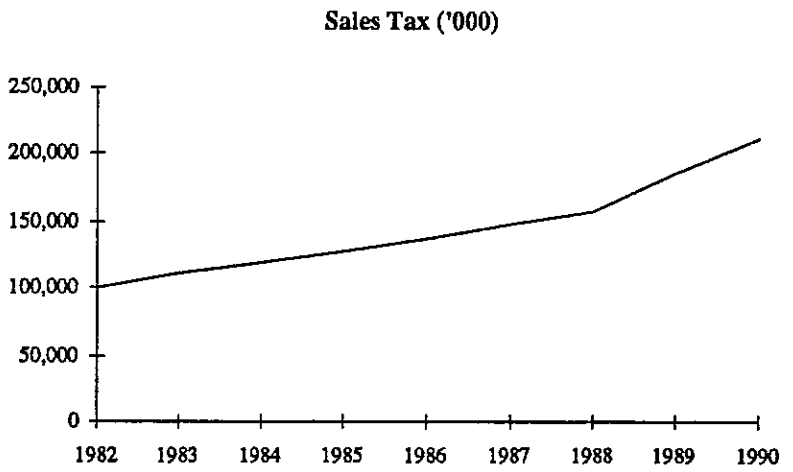
The local transit sales/use tax, as authorized by RCW 82.14.045, applies to all taxable retail sales or uses as well as for selected personal services within the transit district's boundaries, and is levied at any of the following rates: 0.1 percent, 0.2 percent, 0.3 percent, 0.4 percent, 0.5 percent, or 0.6 percent. It is an add-on tax to the State's retail sales/use tax with the tax applying to the same transactions as the State tax and has been the single largest source of transit revenue for the state's operators. Sales tax has historically accounted for between 35 and 45 percent of total revenues to transit and Sales tax currently represents approximately 42 percent of revenues to transit statewide.

The yield from the sales tax is intrinsically linked to strength in a potentially volatile component of the local economy, expenditure levels. In addition to the potential for volatility, revenue from the sales tax exhibits considerable seasonality as components of local expenditures can and do vary considerably over the course of a calendar year. While the seasonal characteristics can be incorporated into cash flow planning, it is often difficult to foresee near term changes in local spending levels which can result in near term budget surpluses and deficits. The major factors which influence sales tax collections are:

- population changes (in and out-migration);
- local economic conditions (unemployment rate, inflation rates, income growth);
- national economic conditions (interest rates, inflation rates);
- construction activity; and
- tourism and related spending.

The Pacific Northwest, and the Puget Sound region in particular, enjoyed a prosperous decade in the 1980's (especially the second half of the decade), both in absolute terms and relative to other regions in the country. Over this period most sectors of the economy participated in the economic expansion, including the manufacturing and service sectors. The jobs created in the State fueled strong net in-migration which led to a boom in both residential and commercial construction activity. Though some regions of the state fared better than others over this period, the overall impact of this activity translated into substantial growth in sales tax revenues statewide, as is evidenced by the chart below (Figure 1). Revenue from the transit sales tax has grown an average of almost 10 percent per year and over 16 percent each of the last two years.

Figure 1: Historic Transit Sales Tax Revenue



It should be noted that part of the growth occurred for reasons other than economic. Some changes in sales tax revenue were attributable to the creation of new districts or increases in the tax rates in existing districts. There were four districts created between 1982 and 1990, they are as follows (including year and rate):

- Cowlitz County PTBA (1988) 0.1%
- Island County PTBA (1986) 0.3%
- Lewis County PTBA (1986) 0.1%
- Whatcom County PTBA (1984) 0.3%

The districts where changes in tax rates occurred since 1982 are as follows:

- Snohomish County PTBA (1990) 0.3% to 0.6%
- Clark County PTBA (1984) 0.3% to 0.2%
- Clark County PTBA (1989) 0.2% to 0.3%
- Spokane County PTBA (1983) 0.2% to 0.3%
- Grays Harbor County (1985) 0.2% to 0.3%

In general these changes have had only a marginal impact on the statewide revenue in any particular year with the largest impact of any of these being the doubling of the rate in Snohomish County in May of 1990, which accounted for approximately 2.5 percent of the 14 percent increase in total sales tax revenue in that year.

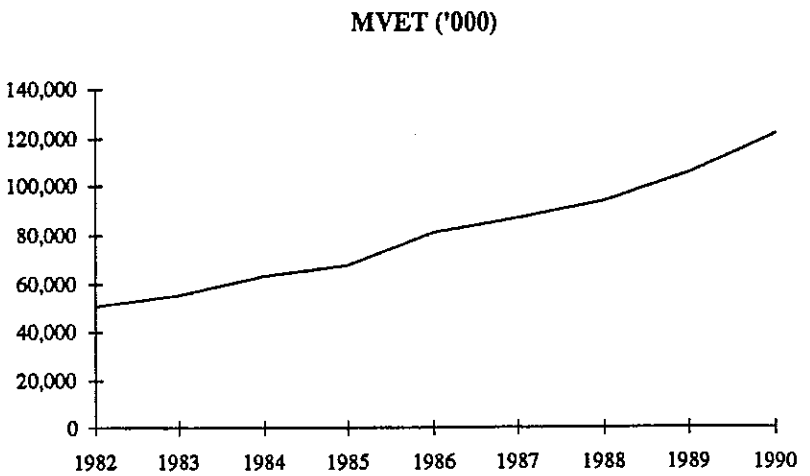
2. Motor Vehicle Excise Tax

The Motor Vehicle Excise Tax (MVET), as authorized in RCW 35.58.273 and RCW 82.44.150, permits transit agencies to qualify for the transit component of general MVET revenues by matching these revenues, on a dollar for dollar basis, with other tax revenues collected at the local level. Local matching tax sources available to transit districts include sales/use, B & O and household excise.

The rates of the transit MVET are applied to the value of the motor vehicle less depreciation and are as follows:

- King, Pierce, Snohomish and Thurston Counties 0.96%
- Transit districts in other counties 1.0%

Figure 2: Historic Transit MVET Revenue



After the sales tax, MVET is the second most significant revenue source for the funding of transit service in the State of Washington, accounting for between 20 percent and 25 percent of total revenue since 1982, with the current share at 22 percent. If Federal funds are not included in total revenue the current share of MVET to state and local revenue is approximately 28 percent.

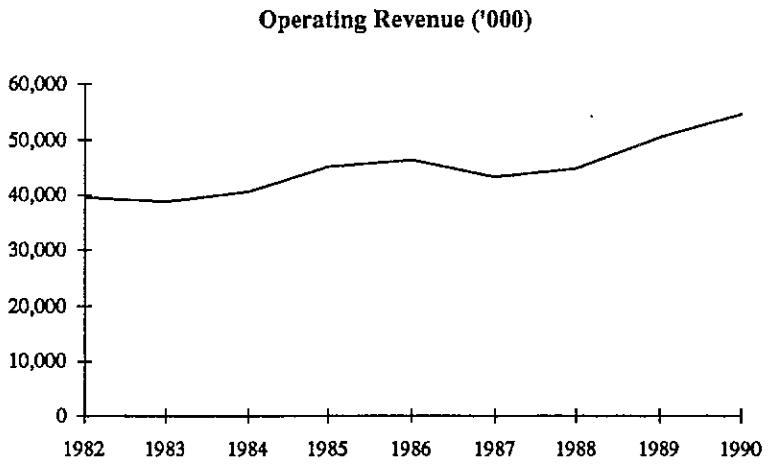
The rate of growth in MVET revenue through the 1980's was stronger than the local transit sales tax revenue, averaging almost 12 percent per year since 1982. Figure 2 above shows the trend of MVET revenue from 1982 to 1990. As with sales tax revenue some of this growth can be attributed to events other than economic, such as the addition of four districts since 1982 and the increase in matching revenues in others. However these activities account for only a marginal portion of the increase relative to the rapid growth in the taxable value of motor vehicles in the State of Washington.

The Motor Vehicle Excise Tax is less responsive to changes in local and national economic conditions than the sales tax because approximately 90 percent of annual motor vehicle registrations are renewals. Since motor vehicles are a depreciating asset and lose value each year, either the total number of vehicles in the fleet needs to be increasing or older vehicles need to be replaced by new and much more valuable vehicles, in order for the value of the fleet to continue to grow. Given this, the major factors which influence the MVET collections include population changes (in and out-migration), local and national economic conditions affecting new car purchases (especially interest rates which influence consumer's ability to finance new car purchases) and demographic and geographic trends which tend to influence vehicle ownership rates (i.e. the pattern of suburbanization in major metropolitan areas).

3. Operating Revenue

Operating revenue is composed of all revenues derived directly from the operations of a transit system, of which the largest component is the farebox revenue. Other sources include such things as revenue from special shuttle services, and school service revenue. Revenue from operations has declined as a share of total revenue from approximately 20 percent of state and local funds in 1982 to the current level of approximately 13 percent. The total revenue collected from operations since 1982 is displayed in Figure 3 below. The average annual growth of operating revenue has been approximately 4 percent per year since 1982.

Figure 3: Historic Transit Operating Revenue



There are several factors which influence the ability of a transit organization to generate operating revenue, some factors are within its control and some beyond its control. The factors over which an agency can exert control are in the fare and service policies which affect how the system operates. It is within these policies that local transit management determines how much service will be provided, where the service will be provided and the price charged for use of the service. These decisions are constrained by two major forces; first, the total revenue of the agency will constrain the level of service provided, and second, the price elasticity of demand for the service will constrain the price of the service. In other words, given a relatively fixed level of service (in the short term) and the inverse relationship between ridership and fares, an agency needs to find a balance between the revenue and ridership.

Perhaps the single largest variable currently affecting the ability of many transit agencies to maintain a given share of total revenue from the farebox is the increasing level of congestion in major urban areas. This issue accounts for a large portion of the declining share of operating revenues experienced throughout the 1980's. What has happened is that as congestion increases, the average speed of traffic decreases, and the time necessary to provide a mile of transit service increases.

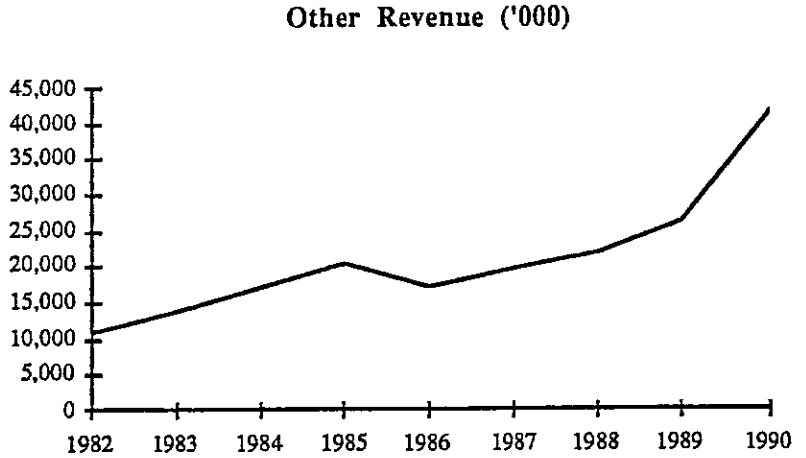
The most important measure of transit service, from the consumer's point of view, is the frequency of that service, and to maintain consumer loyalty (i.e. ridership levels), an agency needs to maintain

the system's level of service in terms of frequency of service. As congestion slows the system down, it may become necessary to increase the number of vehicles in the system to maintain the desired level of service, otherwise, a transit rider who expects a bus every fifteen minutes may get one every twenty minutes even though the same number of miles of service are being provided. This is seen as a reduction in the level of service and will likely cost the system ridership and operating revenue. To maintain existing levels of operating revenue an agency will likely be required to find additional revenues to accommodate the increase in the cost of providing the expected level of service.

4. Other Transit Revenue

Other Revenues is the last category of state and local revenue and is a catchall for other sources of revenue other than federal, local transit sales tax, motor vehicle excise tax and operations. These include revenues generated from such things as the household tax, the utility tax, the B&O tax, charter income, interest income, and state grants from the High Capacity Transportation Account. The figure below shows how revenue in this category has changed since 1982. The share of total state and local revenue accounted for by these other sources varied from approximately 5 percent up to the current 10 percent.

Figure 4: Historic Other Transit Revenue



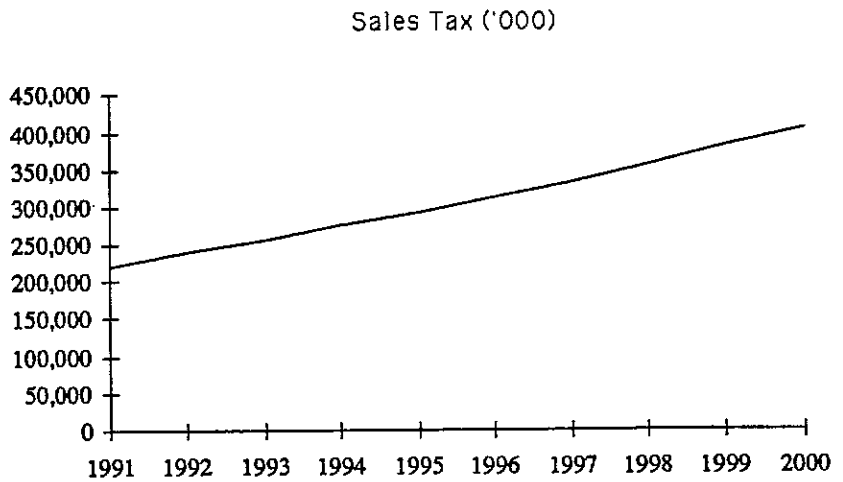
Over the last decade the largest single source of other revenues, on a statewide basis, has been interest income earned on the balances in capital reserve accounts, established to fund future capital improvements. This has been a relatively stable source of revenue, primarily due to the formula driven nature of the depreciation accounts.

B. Projected Revenue by Source

1. Sales Tax

The revenue generated from the sales tax is expected to remain the single largest component of state and local transit revenue in the State of Washington. The chart below shows the trend in sales tax revenue over the next decade. Growth is expected to be approximately 7 percent per year and is based on current law. Also implicit in this rate of growth is the assumption that the regional Pacific Northwest economy will continue to be perform well relative to the national economy. This projection does not appear overly optimistic when compared to the historical period, but it does assume the general health of the economy in the 1990's to be similar to that experienced in the 1980's.

Figure 5: Projected Transit Sales Tax Revenue



As was observed in the historical data, there will continue to be large differences in the local productivity of the sales tax. These regional productivity differences can be attributed to the differences in local economic conditions. For instance, Clallam County, which has been affected in recent years by the downturn in the forestry sector, is expected to continue to see less growth than the state as a whole. This structural shift in the most important element of that local economy will be reflected in lower spending levels and therefore lower tax revenues.

Another situation where productivity faces a negative impact, is in Clark County where, because of its proximity to Oregon (which does not have a sales tax), taxable retail sales per capita are among the lowest in the state. This situation constrains Clark County's ability, not only to generate sales tax revenue from the existing transit levy, but also limits the flexibility to use any of the additional taxing authority permitted under current statutes, thus generating additional revenue. This problem is compounded by the fact that Clark County is unable to match approximately 15 percent of its available MVET revenue.

While Clark County's status as a border county acts to constrain it's ability to generate revenue from the sales tax, Whatcom County which borders British Columbia, is capable of generating a per capita sales tax yield similar to King County. This is due to the emerging strength of the retail base in Whatcom which has developed in response to the surging demand for retail products, fueled by shoppers from British Columbia. Whatcom County has benefitted in the past from its proximity to the Canadian border, but the benefits were generally cyclical in nature. The current increase in demand, while it is unlikely to grow at the pace experienced in the last three years, represents a structural change in the local economy. There are two reasons for this change. First, is the Free Trade Agreement between Canada and the U.S., which has resulted in gradual and ongoing reductions in trade barriers between the two nations, in particular numerous import tariffs on consumer products have been reduced or eliminated in the early phases of implementation. Second, is a major change regarding massive increase in the retail infrastructure in the county, where several large retail centers have opened in the past five years, creating a huge supply of goods for the canadian market.

2. Motor Vehicle Excise Tax

The 1990 Legislature made extensive changes in the Motor Vehicle Excise Tax (MVET) law which will affect transit agencies. Some of these changes became effective in September 1990 (e.g., rate and base revenue neutral changes) and many other changes (e.g., lowering of authorized rate and creation of new funds) will become effective in July 1992.

Because of the six month lag between MVET collections and transit distributions, the impact of the first of these changes did not begin to be noticed until the second quarter of 1991.

a. Changes Effective in 1990

i. As of September 1, 1990 MVET transit rates were adjusted to the following:

King, Pierce, Snohomish and Thurston Counties - 0.7824%

Transit districts in other counties - 0.815%

The 0.815 percent rate is equal to the previous 1.0 percent rate in terms of revenue yield because the tax base (i.e., taxable value of motor vehicles) was broadened to achieve revenue neutrality. Stated simply, the changes in 1990 should not have had any effect on the revenue generating capacity of the transit MVET. To put the transit tax in perspective, the 0.815 percent rate is equal to 41 percent of the State's 2 percent base rate. See interim report 2A "Current Financing Mechanisms of Public Transit Systems at the State and Local Level" for the background and explanation of the Motor Vehicle Excise Tax.

ii. Another change that became effective in 1990 was that the Railway Development Account was redesignated as the High Capacity Transportation Account (HCTA). The funds for this account come from an amount equal to 4.5 percent of the transit MVET revenues collected in the King, Pierce, Snohomish and Thurston Counties.

b. Changes Effective in 1991

i. During the 1991 Session, the law governing the High Capacity Transportation Account was revised to allow PTBA's in Spokane, Kitsap, Clark, and Yakima Counties to be eligible to contribute to the High Capacity Transportation Account.

c. Changes Effective in 1992

The changes in transit agency MVET rates and distributions of revenue which are scheduled to become effective on July 1, 1992 are summarized below:

i. The allowable rate of transit MVET has been lowered for all transit agencies to 0.725 percent.

ii. A new Central Puget Sound Public Transportation Account (CPSPTA) has been created for use in the transit districts in King, Pierce and Snohomish Counties. The amount that goes into the CPSPTA is equal to the difference between the amounts of MVET revenues these transit agencies could match at an 0.815 percent tax rate and what they are actually able to match at the new 0.725 percent tax rate, less contributions to the HCTA.

iii. A new Public Transportation System Account (PTSA) is created from a portion of MVET revenues collected in transit districts in counties other than King, Pierce and Snohomish. An agency's contribution to the PTSA is equal to the difference between the amount of MVET revenues that the agency could have matched at the 0.815 percent tax rate and what they actually match at the 0.725 percent tax rate, less, where applicable, the amount of MVET revenues contributed to the HCTA.

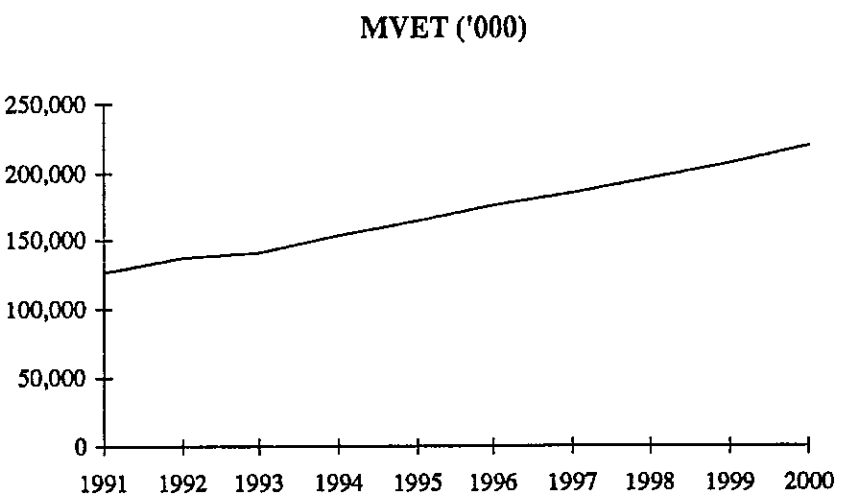
The total funds generated by the MVET and distributed directly to transit districts will continue to exhibit relatively strong growth throughout the 1990's, due primarily to expectations regarding the state economic outlook and anticipated continuing net in-migration. For the ten year period studied for this report, the expected average annual growth in transit MVET revenue (see Figure 6) is just over 6 percent per year. This is somewhat less vigorous growth than was experienced in the previous decade, but probably represents a responsible conservative estimate, given some of the uncertainty surrounding the changes in MVET law, especially those which became effective in 1990.

The impact of the changes in MVET administration which became effective on September 1, 1990, as summarized above will not be fully known for a couple of years. The objective of the change was to simplify the administration of MVET by dropping the old system of multiple depreciation schedules which could be altered over time in response to changes in the market value of vehicles, to the current method of using tow statutory schedules which will remain fixed over time (one schedule for passenger vehicles; one for heavy trucks). The rate of excise tax was adjusted based on a representative sample of

vehicles to produce revenue neutrality. It was hoped that, given the adjusted rate of the excise tax, the total revenue generated by the entire fleet of vehicles in the State of Washington would be the same under either method. It will take some time for any seasonal fluctuations in collections to wash out and a determination of the degree to which the changeover attained revenue neutrality.

The changes enacted in 1991, which allow PTBA's in Clark, Kitsap, Spokane and Yakima counties to contribute to the High Capacity Transportation Account, is a recognition that congestion relief is an important issue in other parts of the state beyond the Central Puget Sound area and will serve to broaden state involvement in the search for solutions. This change will provide for Clark County an opportunity for obtaining some of the MVET revenue which is currently lost to the Transportation Fund, since the HCT contribution is determined on the basis of 4.5 percent of available MVET without regard to the level of local matching revenue. Another effect of this change will be in offering Yakima Transit, currently a city operation, another incentive for forming a Public Transportation Benefit Area, which would be required in order to become eligible for HCT funds.

Figure 6: Projected MVET Revenue



The changes which take effect on July 1, 1992 address specifically the transit component of the MVET levy and involve a reduction in the rate of the transit levy but will not result in fewer MVET dollars being available to transit. Though the

change takes effect in 1992, the effect will not be felt until January of 1993 because of the two quarter lag between MVET collections and transit distributions. The result of the reduction is that less of the revenue generated by MVET will be made available directly to transit agencies, while a greater share is placed in special accounts to be distributed by state appropriation. Basically the difference in the amount of MVET revenue which could have been matched at the 0.815 percent rate and the revenue distributed at the new rate less HCT contributions will be deposited in the Public Transportation Accounts. The dollar value of this reallocation will be approximately $10 million in 1993 growing to almost $14 million in the year 2000. Metro will absorb more than half of this lost revenue ($5 million in 1993 and $8 million in 2000).

Only about half of the transit districts in the state will experience any change in expected MVET revenue as a result of the rate reduction. The others, who cannot match all of the MVET available even at the lower rate, will continue to experience growth in MVET revenue equal to the revenue growth of the local matching source. The net result of these factors, plus the expected rate of growth in total MVET revenues between 1992 and 1993, will be a flattening out of revenue increases in 1993, then a return to expected state growth rates from then on. This is illustrated in Figure 6.

Of the districts which will experience an adverse impact from the rate reduction in 1993, six will experience a marginal net decrease in MVET revenue from 1992 to 1993, with a maximum expected percentage decline of approximately 2 percent (Whatcom Transportation Authority). The other districts will see marginal increases in 1993, because the growth in the taxable base exceeds the reduction in the rate. The districts which experience moderate growth despite the rate reduction are generally those which contribute to the High Capacity Transportation Account and as a result only face the reduction in MVET rates from 0.7824 percent to 0.725 percent, or about a 7 percent decrease.

The following table shows the expected amounts to be placed in each of the High Capacity Transportation Account, the two new Public Transportation Accounts, and the annual contribution to the Transportation Fund of unmatched transit MVET revenue for the next 10 years. The CPSPTA and the PTSA

commitments are to be determined at the end of each fiscal year, the State has made an administrative decision to begin this process at the end of Fiscal Year 1994, after the first full fiscal year of the program.

Table 1
Annual MVET Revenue Deposited in Special Funds

	HCTA	CPSPTA	PTSA	TF
FY1991	4,833,742	0	0	0
FY1992	5,085,379	0	0	3,735,821
FY1993	5,583,854	0	0	4,347,368
FY1994	5,731,123	7,898,922	2,455,960	5,938,647
FY1995	6,248,812	8,632,160	2,222,815	7,233,770
FY1996	6,717,152	9,279,129	1,826,825	8,790,476
FY1997	7,120,181	9,835,877	1,849,453	9,656,746
FY1998	7,547,392	10,426,029	2,004,061	10,475,572
FY1999	8,000,235	11,051,591	2,139,455	11,451,025
FY2000	8,480,249	11,714,686	2,249,106	12,747,863
FY2001	8,989,064	12,417,568	2,364,399	14,146,809

While these accounts contain significant sums of money and are expected to grow the benefits that transit agencies will derive from them are unknown at this time. Also there is currently no process established for the distribution of the funds deposited in these accounts.

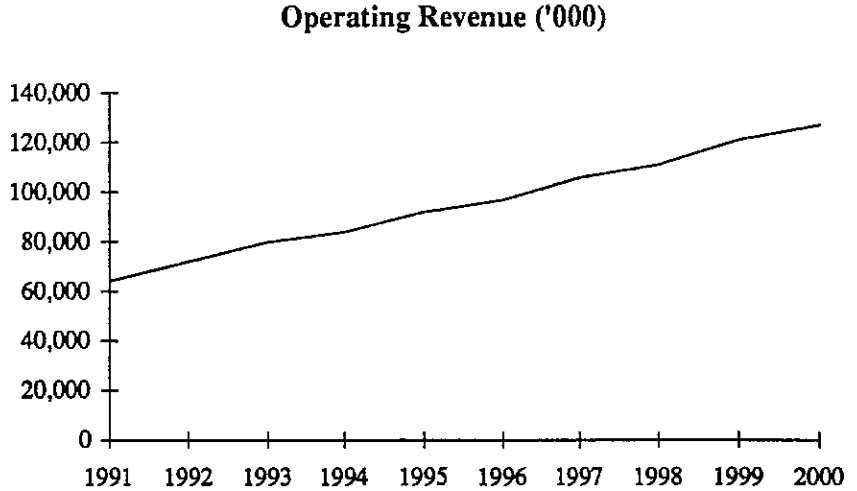
Due to the mechanism which funds the Public Transportation Systems Account, where the contribution to the PTSA is determined as the amount of MVET which could have been matched at 0.815 percent less the MVET distributed to the district and any contributions to HCT, the annual contribution is subject to much more volatility than either the CPSPTA or the HCTA. This volatility is the result of the fact that many of the districts which contribute to the PTSA, do not generate enough matching revenues to match all of the available revenue at the 0.725 percent and therefore do not make any contribution to the PTSA. The districts which are contributing to the PTSA, are in

many cases unable to make the full contribution as they are unable to match the revenue generated by the 0.815 percent rate. The total revenue flowing into the PTSA will vary as the various districts' abilities to match available MVET varies. For example if MVET revenues were to grow faster than expected some of the districts which currently contribute to the PTSA, would not be able to match the minimum required MVET at the higher level and would thus not contribute to the PTSA. This was evidenced when DOL revised the June forecast of MVET by reducing the long term growth of MVET revenue down from 7 percent annually to 6 percent, the effect on the PTSA was to increase the expected annual contributions.

3. Operating Revenue

The expected future operating revenues, as shown in Figure 7 below, are simply a summation of each agencies estimation of the operating revenues likely to be generated from the adopted service development plans and future fare policy. As was mentioned earlier, operating revenues, in particular farebox revenue, are determined in large measure by adopted agency policies regarding the level of transit service offered and the price charged for use of that service. Therefore, implicit in the forecast for operating revenue are estimates of future service levels and the ridership these will generate.

Figure 7: Projected Operating Revenue



Operating revenues are expected to grow over the next decade at a rate comparable to other the revenue sources studied in this interim report. The average annual rate of growth for the period is expected to be

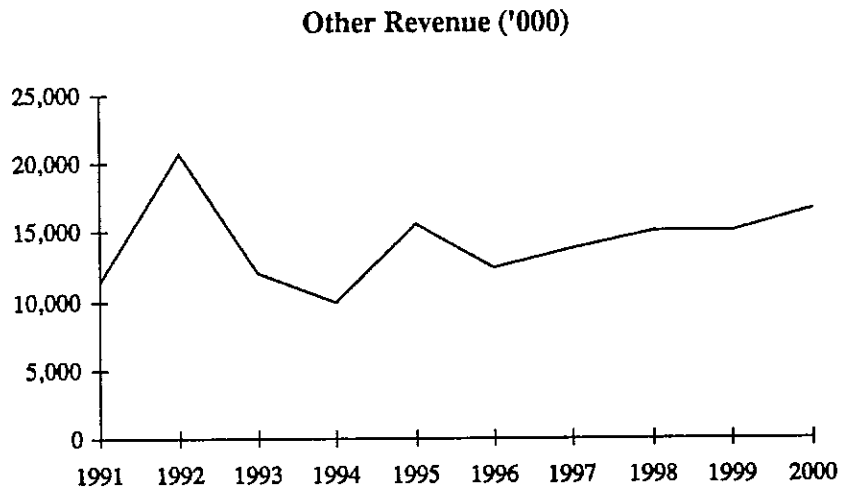
approximately 8.5 percent. This growth has two major components, with some of the increase occurring due to growth in ridership and another portion due to increases in fares.

4. Other Transit Revenues

As mentioned in the previous section Other Transit Revenues include revenues generated from such things as the household tax, the utility tax, the B&O tax, charter income, interest income, and state grants from the High Capacity Transportation Account.

The forecast of future revenues from these sources is illustrated in Figure 8 above, and is dominated by the influences of the interest income component and the accounting for some near term expected activity. The high level of volatility in the early years can be explained in terms of fluctuations in known income and expenditure activity, in particular, programmed capital spending will cause the interest income generated by the capital reserve account to drop dramatically as the account balance is drawn down.

Figure 8: Projected Other Transit Revenues



Given that transit districts employ conservative financial practices (see Interim Report 2D, Capital Financing Practices), only revenues which can reasonably be expected to materialize are accounted for in the district's future revenue estimates. Because of this approach, potential revenue from sources like the High Capacity Transportation Account and the Public Transportation Systems Accounts are not accounted for except for the very near term, where there is more certainty as to the availability and distribution of these funds. The level of conservatism generally increases as the forecast goes further into the future and the information regarding potential other sources of revenue gets less reliable and agency plans get beyond those already programmed.

TABLE 2
FEDERALLY APPOINTED TRANSIT FUNDING FOR 1991
UMTA SECTION 9 - FORMULA APPORTIONMENTS

	GENERAL FUND	TRANSIT FUND	TOTAL
UZA's - Over 1,000,000 in Population			
Seattle - Everett, WA	$ 23,149,354	$ 3,019,751	$ 26,169,085
Portland, OR - WA	$ 11,548,775	$ 1,505,884	$ 13,054,659
		(Vancouver, WA Portion	$ 1,266,302)
For UZA's 200,00 to 1,000,000 in Population			
Spokane, WA	$ 2,698,926	$ 351,838	$ 3,050,764
Tacoma, WA	$ 3,990,196	$ 520,150	$ 4,510,346
Apportioned to the State Governor for UZA's 50,000 to 200,000 in Population			
Total	$ 2,273,074	$ 296,133	$ 2,569,207
Bellingham	$ 275,786	$ 35,929	$ 311,715
Bremerton	$ 338,674	$ 44,122	$ 382,796
Longview, WA - OR	$ 270,042	$ 35,181	$ 305,223
Olympia	$ 341,062	$ 44,433	$ 385,495
Richland - Kennewick	$ 556,370	$ 72,483	$ 628,853
Yakima	$ 491,140	$ 63,985	$ 555,125
UMTA Section 18 Formula Apportionment and Rural Transit Assistance Program (RTAP) Allocation to State for non-urbanized Areas			
Section 18	RTAP (Rural Transit Assistance Program		
$1,161,669	$78,348		
UMTA Section 16(b) 2 Allocation to the State			
Washington	$586,799		
		Total for 1991	$ 39,392,520

II. Federal Revenue

As of this writing, the Federal reauthorization for national transit legislation is presently being considered in Congress. The existing program was reauthorized in 1987 and is due to expire with the end of the Federal Fiscal Year (FFY) 1991 (September 30, 1991). Though reauthorization is expected, any change in program structure or funding levels will not be known until the Congress has acted and the President has signed the legislation.

It was intended that as part of this study forecasts of Federal revenue would be produced, and potential state policy actions identified as a response to changes in the structure or funding levels of the Federal program. However, since final approval of the Federal Legislation has yet to occur, a general indication of program and funding direction will be discussed, and are based on existing proposals at the time of this writing. In addition, a historical review of Federal funding for transit districts may provide some clue to future funding levels, given that most Federal programming/funding changes are likely to be incremental at best.

A. Historical and Current Federal Revenue

Current 1991 Federal Section 9 apportionments are shown on Table 2 for the State's urbanized areas. Also included are the apportionments that go to the State for smaller urban areas, Section 18 and Section 16(b)2. As can be seen, the State of Washington was apportioned a total of $51,180,877 for Federal Fiscal year 1991. Breaking out the totals of funding by Federal programs; Washington received 3 percent of the Section 9 money, and 2 percent each for the Section 18 and Section 16(b)2 programs.

Of the existing 22 transit systems 20 have received Federal grants in the past. Only LINK (Chelan/Douglas) and Island Transit have not received Federal grants. LINK is a new system not yet able to apply for or utilize Federal money. Within a short time that could change. Island is also a relatively new (1987) system and is also very small. No need has as yet been identified for Federal funds, though that too could change in the near future.

Between 1980 and 1990 the remaining 20 systems were granted a total of $838,384,249 in Federal funds. This total represents all Federal funding from all transit programs for this period. Table 3 shows the total for each system and a breakdown of that total for capital, operating, and "other" uses. The "capital" figures are from Section 3 discretionary, Section 9 formula funds, operating funds are from either the original Section 5 or its predecessor and existing Section 9 program or the Section 18 program. The "other" category is a combination of Section 6, 8, 10, or other small sources of assistance.

TABLE 3
HISTORICAL FEDERAL FUNDING FOR PUBLIC TRANSPORTATION
IN THE STATE OF WASHINGTON
1980 - 1990

SYSTEM	CAPITAL	OPERATING	OTHER	TOTAL
1. Benton-Franklin PTBA (Ben Franklin Transit)	$9,219,607	-	$1,788 (Sec 10)	$9,221,395
2. Chelan-Douglas PTBA (LINK)	-	-	-	-
3. Clallam County PTBA (Clallam Transit)	$1,049,179	-	-	$1,049,179
4. Clark County PTBA (C-TRAN)	$16,417,121	$3,102,876	$3,200 (Sec 18-planning)	$19,523,197*
5. Cowlitz PTBA (CUBS)	$1,496,570	$863,648	-	$2,360,218
6. Everett (City) (Everett Transit)	$5,218,970	$7,563,197	$12,601 (Sec. 10,9,& planning)	$12,794,768
7. Grays Harbor County (Grays Harbor Transp. Auth.)	$134,750	-	-	$134,750
8. Island County PTBA (Island Transit)	-	-	-	-
9. Jefferson County PTBA (Jefferson Transit Authority)	$1,142,305	$154,588	-	$1,296,893
10. King County Metro (METRO)	$520,102,864	$87,358,465	$3,476,477 (Sec. 4,6,8,9&10)	$610,937,806

SYSTEM	CAPITAL	OPERATING	OTHER	TOTAL
11. Kitsap County PTBA (Kitsap Transit)	$8,650,260	$1,490,601	$2,821	$10,143,682*
12. Lewis County PTBA (Twin Transit)	$456,951	$221,587	-	$678,538
13. Pacific County (Pacific Transit)	$2,257,311 (Sec. 3 & 18)	$531,782	$1,775 (Sec. 10)	$2,790,868
14. Pierce County PTBA (Pierce Transit)	$45,004,464	$23,538,615	$289,301 (Sec. 8&10/Sec. 18 Planning)	$68,832,380
15. Prosser (City) (Prosser Rural Transit)	$75,102	$123,960	-	$199,062
16. Pullman (City) (Pullman Transit)	$777,862 (Sec. 18)	$254,400 (Sec. 18)	-	$1,032,262
17. Snohomish County PTBA (Community Transit)	$24,400,043	$2,375,570	$866,952 (Sec. 8&10/Sec. 18 Planning)	$27,642,565
18. Spokane County PTBA (Spokane Transit Authority)	$31,600,115	$14,940,265	$575,118 (Sec. 6 & 10)	$47,115,498*
19. Thurston County PTBA (Intercity Transit)	$10,629,776	$481,213	$6,513 (Sec. 10)	$11,117,502*
20. Walla Walla County PTBA (Valley Transit)	-	$291,875	-	$291,875
21. Whatcom County PTBA (Whatcom Trans. Authority)	$2,202,329	$1,068,561	$264,982 (Sec. 10 & Planning)	$3,535,872*
22. Yakima (City) (Yakima Transit)	$4,720,851	$4,720,851	-	$6,725,948
TOTAL	$682,840,676	$149,082,054	$5,501,528	$837,424,258

There have been three other notable Washington State recipients of Federal transit funding in the last decade. The Washington State Department of Transportation Marine Division has received $31,032,858 in capital grants, and $15,816,458 in operating grants between 1980 and 1990. Sno-Tran received a total of $2,508,252 for a combination of capital, operating, and planning assistance in the same decade. Lastly, between 1980 and 1990 the City of Seattle has received a total of $8,334,129 in Federal grants. Many have been for capital assistance projects for monorail rehabilitation or reconstruction, and there have also been other operating assistance and numerous planning, research, and managerial training grants (Section 6 and Section 10). The actual breakdown for the City of Seattle is as follows (1980 to 1990):

The City of Seattle (1980 to 1990)	
CAPITAL	$7,354,200
OPERATING	342,763
SECTION 6 (demonstration and evaluations)	543,568
SECTION 10 (training grants)	93,598
TOTAL	$8,334,129

B. Projected Federal Revenue

The purpose of this section will be to provide a brief overview of the pertinent funding changes in Federal Legislation and some of the important structural changes which have been proposed. Given that specific legislation is yet to be passed, this discussion will focus on those broad elements of each proposal with special attention to areas of commonality among the proposals in order to try to define a reasonable range of expectations about the version which will eventually be enacted.

As of this writing, the reauthorization process for Federal Surface Transportation Legislation is well underway with the introduction of three major proposals. These proposals define the parameters of likely authorization changes which the final legislative package might contain. The three major packages include; the Administration's proposal (S.610 & H.R. 1351) the Senate bill (S.1204 which passed the Senate on June 19, 1991 by a vote of 91-7 and the House bill (H.R. 2950).

Of prime concern to Washington State's transit systems and the State Legislature, is the question of potential state policy actions that would be

required in the event Federal capital and operating assistance is reduced. Upon review of the above mentioned federal proposals, it is reasonable at this time to assume that Federal funding will at least be maintained at current levels, and could possibly increase over the life of this authorization. This being the case, questions regarding the quantification of the negative impacts of a reduced federal role and the potential options for the replacement of Federal funds do not appear relevant at this time.

There are two primary reasons why Congressional action at this time would serve to increase the Federal transportation program. First, the present Administration is more sympathetic to the idea of an increased Federal participation in mass transit, and many people both in and out of the legislative process believe these increases are necessary. Second, Federally mandated responsibilities, which have been added to the local transit agencies' agendas, require additional funding. The most recent, and potentially the most expensive, examples of this are the requirements mandated by the Americans with Disabilities Act and Clean Air legislation. The feeling in Congress is that since these programs have been Federally mandated, some of the responsibility for funding the programs necessary for compliance rightfully belongs at the Federal level.

Elements of the Administration's proposal have been included in both the Senate and the House Bill. At this point in the legislative process; however, a pure Administration proposal is not under consideration. Two major departures from the existing transit program structure can be found in the Senate Bill and the House Bill. Comparing funding levels in the Administration proposal and two legislative bills is of interest. The Administration proposal is for a total transit program of approximately $16 billion over 5 years. The Senate past bill containing both trust fund and general fund money proposes a funding level for the same 5 year period at $21 billion. The House Bill, presently being considered for the same period includes a 5 year authorization totaling $32.4 billion. As the reader may note, this is over double the administrations proposed program level.

Some of the more important programmatic and funding changes in the pieces of proposed legislation include the following:

1. Section 3

Present Section 3 program funded from the penny gas tax is presently at a $1.4 billion in 1991. Both the Senate and the House Bills would raise that program to more than $1.6 billion average per year, over the next 5 years. Both bills start at approximately the 1991 level and increase the annual commitments over the life of the legislation. The

categories of expenditures in both these bills are the same as those in the existing program, 40 percent toward new starts, 40 percent toward rail modernization, and 20 percent toward bus. Most importantly, both the Senate and the House bills eliminate the 10 percent unspecified discretionary fund, within the 20 percent bus portion, that has been available to the administration. Also importantly, the House bill takes that 10 percent and uses it to establish a minimum state allocation for capital assistance, severely limiting the administration's ability to access discretionary funds. In the rail modernization category, specified "existing rail cities" get funding for their fixed guideway systems without a decision of the administration.

For new starts, the Senate bill includes broader factors for programming and prioritizing applications for federal assistance. Possibly, the most significant departure in dealing with new rail starts can be found in the House bill, which identifies a list of projects to be funded. The House bill indicates that the administration should report on the analysis of new starts included in this list to the House Public Works Committee, who would then allocate funds among those projects. Another significant and important factor is that the Administration proposed to reduce the Federal share of capital projects. In the Senate bill, the existing 75 percent and in the House bill a 80 percent Federal share is maintained. For ADA or Clean Air programs and projects, 90 percent of capital costs can be covered with Federal funds.

2. Section 9

Present Section 9 funding is approximately $1.8 billion for fiscal year 1991. Both the Senate and House proposals start at that level but annually go to a little over $2.5 billion in the Senate Bill and almost $2.8 billion per year in the House Bill. In the House Bill, some of that money (a little over one-half billion dollars) comes from trust fund revenues. Also an important note, the current funding shares of 80 percent Federal money for capital, 50 percent Federal money for operating are retained. The Senate Bill contains a 90 percent Federal share for ADA or Clean Air associated costs. Both bills retain the rail modernization tier of funding in addition to having added the Section 3 set aside for rail modernization described above. An important area of agreement in these bills is that this money can be used for highway projects under certain conditions, most notably if ADA projects are satisfied and if transit needs are met. If effect, it appears that compromise legislation will include some cross funding of both highway and transit projects from one program to the other. The

House Bill also includes inflation adjustments for all cities in operating assistance programs, (not just for small cities as under the current law) and materials and supplies presently in operating expenses becomes by redefinition a capital item.

The net impact of these changes in the Section 9 operating and capital program, distributed by formula, could increase the funds available to Washington systems by as much as 25 percent.

3. Section 18

Presently funded at a little over $65 million a year, the Senate bill would increase this amount to $127 million in the first year of the reauthorization and up to $164 million in the fifth year, however it limits operating assistance, to funds available only from general revenues not Trust Fund revenues. This results in an indirect cap depending on the level of general revenue funding that is provided. Regardless, it appears that there could be almost three times the present level of funding within this program. An interesting facet of the House proposal in this area is that it sets aside $20 million to subsidize intercity bus travel. Both bills maintain the 80 percent federal capital share and 50 percent federal operating share, the Senate bill however adds a 90 percent federal share for both ADA and Clean Air bus costs. Both bills retain state administration of the Section 18 program.

As one can see from this brief overview, both pending bills increase funding levels, transfer responsibility in many areas to state and local governments, and restate the federal presence in the national mass transit program. Perhaps the most important part of either piece of legislation, is that the House bill is dependent upon a five cent gas tax increase, a penny of which would go to the mass transit portion of the highway trust fund. As of this writing that gas tax increase is in doubt and the Senate bill has no comparable revenue title.

III. State Policy Issues

The following is a summary of issues with state policy implications derived from the analysis of historical, and future revenue for transit in the State of Washington.

- Some transit agencies do not receive all of the available MVET revenue due to local conditions and constraints on their ability to generate sufficient matching funds. These conditions and examples include:

  1. Geographic Considerations: Because of its proximity to Oregon, which does not have a sales tax, taxable retail sales per capita in Clark County are among the lowest in the state.

  2. Size Considerations: Because of its small size and inability to use sales tax revenue as an MVET match, Prosser only matches about 10 percent of its available MVET.

- The impact of the MVET rate reduction will be felt by only about half of the transit districts in the state. The others will see no change because, even at the lower rate, they will be unable to generate enough local matching funds (assuming existing rates). The impact of the rollback in the rate, in terms of lost MVET revenue to districts, will be approximately $10 million in 1993 growing to almost $14 million in the year 2000. Metro will absorb more than half of this lost revenue ($5 million in 1993 and $8 million in 2000).

- The full impact of the MVET changes in 1990 will not be known for a couple of years. It will take that long to determine whether or not the change to a statutory depreciation schedule and the corresponding rate adjustments were truly revenue neutral.

- Revenues over the next 10 years are expected to grow at a similar rate as over the past 10 years, however the environment in which transit must operate will be different, and financially more demanding due to the additional burdens placed on transit operators of additional Federal mandates like the Clean Air Act and the Americans with Disabilities Act and State mandates like the Growth Management Act and Transportation Demand Management legislation. The increased responsibilities associated with these new mandates have generally come without additional funding for implementation of the requisite compliance programs.

- It appears that, given the federal proposals outlined in this interim report, transit properties in the state of Washington can expect at least a continuation of past levels of federal financial support. Therefore there does not seem to be a need to explore methods for generating additional state or local revenue to make up any shortfall caused by an interruption in federal assistance.

- Given that random drug testing of transit employees has been determined to be unconstitutional in the State of Washington and that federal funds will likely be conditional on the implementation of such a testing program, Washington's eligibility for federal assistance could be jeopardized. If appropriate language is not incorporated into the federal statute which would allow the federal requirement to supersede the State ruling, the State may be forced to look to other sources of revenue to replace the lost federal assistance.

IV. Revenue Forecast

This section details the methods and assumptions used in the collection of the historic revenue data and the preparation of projected revenues for the purposes of this study. The section is divided into three parts, the overall approach to the study task, the methods used in the historical data collection and the methods used in preparing a consistent set of district level revenue projections.

A. Overall Task Approach

The purpose of this report is to explore the historical, current and projected revenues for public transit in the State of Washington and determine, based on the observed numbers, trends, conditions, sources and major changes, issues with state policy implications. The relevance of the study's findings depend very much, therefore, on the validity of the numbers used in the analysis. For this reason, wherever possible, existing, approved or adopted numbers are used.

B. Historic Data Collection

The primary sources of historic data used in this study were the Urban Mass Transportation Administration's (UMTA) Section 15 reports, reports from the Washington State Treasurer, and the Washington State DOT Public Transportation Systems reports.

The UMTA report is an annual compilation of financial and operating statistics required of all public transit authorities in the United States within an urbanized area with a population greater than 50,000. The information contained in the report is compiled and collated from data provided annually by each district and is based on the audited financial statements of the agency.

The State Treasurer's office provided the study team with listings of all revenues distributed by the Treasurer to each of the transit properties in the state.

There are two series of reports available from the Washington State DOT which address public transportation in the State of Washington. Before 1989 the State DOT periodically published a report called "Public Transportation in Washington State" which provided an overview of all transit operators including a compilation of revenue, cost and operating statistics. Using reports from 1979, 1984 and 1988 data it was possible to create a time series database for the period 1976 to 1987. In 1989 the Legislature enacted a law requiring DOT to compile an annual report of Public Transportation Systems in the State, to assist the Legislative Transportation Committee and the DOT with future decision making opportunities. At the time this study began, two of these new reports were available, the 1989 and 1990 editions.

A financial and statistical profile was created for each district using all of the available information from these two sources. These profiles were included with the transit survey which was distributed to each district in the state for the purposes of ensuring that the financial and statistical information was both accurate and complete. In some cases districts were required to fill in some holes where data was incomplete in the published sources, and in other cases, especially for the smaller districts, most or all of the statistical data was unavailable and required agency input. The revised profiles were returned and the discrepancies evaluated. In most cases, the discrepancies were minor and for the purposes of consistency the district figures were used. The historical revenue figures appear in the district level tables in Appendix A of this Interim Report.

C. Forecasting Mechanism

Given the importance of relying on existing approved and adopted methods and figures, the forecasting mechanism used in this study was more of a process of analysis and compilation incorporating the existing revenue projections and methodologies. We did not develop a new uniform methodology for producing an independent set of forecasts. All of the processes and revisions to existing models used for this study were developed in association with a technical advisory committee with representation from the State DOT, the State DOL, the transit agencies, and the office of the Economic and Revenue Forecast Council.

Figure 9: The Revenue Projection Process (Forecast Mechanism)

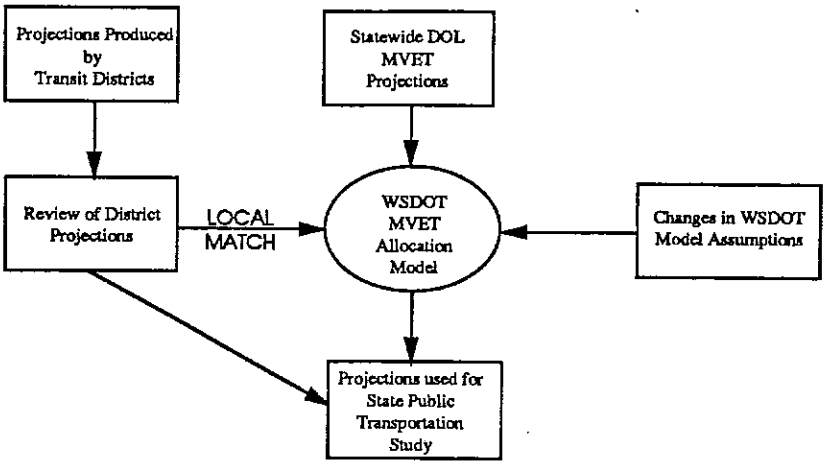


Figure 9 is a schematic illustrating this process. There are essentially two sources of official revenue forecasts for transit in the state; the local agencies prepare revenue forecasts (including MVET) as part of the regular budgetary and planning processes, and the State Department of Licensing (DOL) responsible for preparing the forecasts of MVET revenue used by the Legislature and the Governor's Budget Office for state budget planning. Currently, these activities occur independently, with the local districts basing their MVET forecasts on local historical trends. The Forecast Mechanism used for the LTC Study essentially combines the revenue information from these two sources, using the district information as the basis for projections for all sources except MVET and producing from the DOL statewide MVET forecast the expected shares to each transit district using a refined version of the WSDOT MVET Allocation Model.

1. Local District Projections

The State Department of Transportation requires each transit district to produce and submit 6-Year Transportation Development and Financial Plans, which include a forecast of expected total revenue for the following six year period. These plans must be updated annually and submitted to WSDOT. Before these plans are finalized and submitted to the State they are reviewed, approved and adopted by the local transit policy boards.

These long-range plans were collected as part of the survey process, and the revenue forecasts were reviewed relative to historic growth trends, recent collections activity, current economic issues, and the projections of revenue for contiguous districts and those with similar economic bases. In the majority of cases, where the district figures proved to be reasonable estimates of future income, they were used for the purposes of this study. In the few instances where district projections were either out of date, or unduly conservative, an independent forecast was produced and the two series were compared to actual collections to date this year to determine which was likely to be more accurate for calendar year 1991. The forecast which tracked best with the likely growth for the current period was selected as the official series for this study.

2. State Forecast of Motor Vehicle Excise Tax Revenue

As was stated above, DOL is responsible for producing MVET revenue forecasts for State Budget planning purposes. Analysts at DOL prepare a 10 year forecast of MVET revenue, which is updated each quarter. The first two years of this projection, in this instance the 1991-93 biennium, is reviewed and eventually approved by the State Economic and Revenue Forecast Council for use in state budget planning. The forecast used for this study was released September 17, 1991, and is presented below with the percent increase from the previous year. While DOL produces a total MVET forecast, based on the full 2.2 percent rate, transit only shares in the funds generated by 2.0 percent, as the 0.2 percent surtax is automatically deposited into the Transportation Fund. Therefore the forecast presented is based on the base 2 percent rate.

The short term forecast (first four years) is prepared using multivariate econometric models, which project number of vehicles and the average value of vehicles in the state. The following description of the DOL models is taken from "Transportation Economic and Revenue Forecasts for Washington State" prepared by the Interagency Revenue Task Force, March 1991.

TABLE 4
STATEWIDE FORECAST OF 2% MVET REVENUE

FISCAL YEAR	AMOUNT	PERCENT
FY1991	$433,534,330	6.1 %
FY1992	459,873,718 (actual)	10.0 %
FY1993	506,086,864	8.2 %
FY1994	548,447,775	7.5 %
FY1995	589,553,186	6.0 %
FY1996	624,925,752	6.0 %
FY1997	662,421,298	6.0 %
FY1998	702,217,430	6.0 %
FY1999	744,296,369	6.0 %
FY2000	788,954,364	6.0 %
FY2001	836,291,626	6.0 %

"The MVET revenue estimate is the product of three factors: the projected average value of vehicles in Washington State times the number of vehicles that will be subject to the tax times the statutory tax rate. The average value of the vehicle fleet is the most difficult factor to forecast. It is determined by an econometric model. The model estimates average fleet value based on Washington State personal income data predicted by the Economic and Revenue Forecast Council and on national short term interest rates predicted by Data Resources, Inc. The econometric approach has improved forecast accuracy. For example, over 90 percent of the variation in fleet average value is explained by state personal income, national interest rates and seasonality factors."

The longer term figures are based on a historical trend analysis, which estimates the likely long term average annual growth rate for the final six years of the ten year forecast.

3. WSDOT MVET Allocation Model

The study team was able to use the WSDOT MVET allocation model, prepared by the Economic Analysis Division of DOT, which takes the state DOL MVET forecasts and allocates transit's share to each of the eligible transit districts in the state, based on a number of factors.

Figure 10: MVET Allocation Model

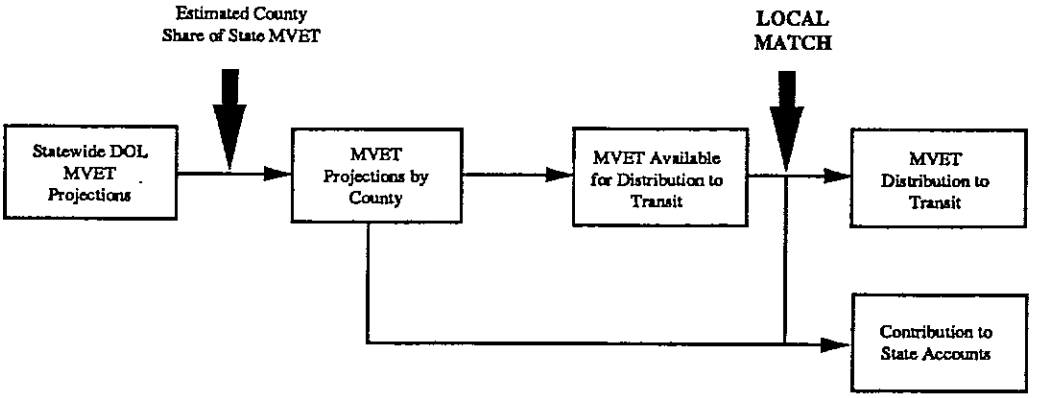


Figure 10 is a schematic diagram which shows how the model distributes the transit share of the DOL 2 percent MVET revenue forecast to the various transit districts and special transportation accounts (High Capacity Transportation Account, the two Public Transportation Accounts, and the Transportation Fund). The model estimates quarterly transit distributions by following three steps:

- First, the DOL forecast is divided by the 2 percent rate to determine the total value of the motor vehicle fleet;
- Second, the MVET funds available to each district is determined as the product of the total fleet value, the traditional quarterly share of collections, the estimated county share of state MVET collections, the percent of the county's population within the transit district, and the appropriate rate of transit MVET; and
- Third, the quarterly distribution is then determined as the lesser of the available MVET and the estimated budget of local matching revenue.

The model goes through these steps, quarter by quarter, until either all of the available MVET for a particular year is allocated to the district or the estimated budget of local matching revenue is reached. In the latter case, the remaining available MVET funds are allocated to the State Transportation Fund.

For the purposes of this study, the allocation model was enhanced in two important ways, which allowed for a district level allocation more in line with local conditions and projections. These improvements are outlined as follows:

- WSDOT Version: In the original model the share of the total state collections available to each eligible transit agency is determined based on a weighted average of the previous 10 years of distributions by county and is held constant throughout the forecast period.

  Revision: For this study the base year distribution was based on a 3 year weighted average and for the first four years of the forecast the shares were adjusted based on the experienced trend over the past 10 years. For all subsequent forecast years the district share of state MVET revenue is held constant.

  Rationale: The original method assumes that growth in total MVET will be uniformly distributed throughout the state. This is not a reasonable assumption, as it ignores the fact that there are large regional differences in population, employment and income growth. By varying the county share of state MVET according to historical trends, we can capture some of these regional differences and produce a more reasonable allocation of revenue.

- WSDOT Version: The original model uses a projection of locally raised matching funds which assumes a uniform 6 percent growth rate for each transit property in the state.

  Revision: For the purposes of this study the revenue projections prepared and used for other sources, including the sales tax, the B&O tax and the household tax were used for the appropriate estimates of available matching revenue.

Rationale: The growth in district matching revenues depend on local economic conditions which are not uniform throughout the state and we were required to provide local revenue projections which were based on the distinct local conditions of each agency. Therefore by using these projections of local revenue in the model the MVET projections the model will be both sensitive to local conditions and consistent with the other forecasts presented in this interim report.

V. Conclusions

Based on the process and the analysis described above, the following is a summary of the findings and conclusions of this interim report.

1. In general, state and local revenue growth is expected to continue to be relatively strong through the next decade, though not quite as strong as was experienced over the past ten years.

2. Some transit agencies do not receive all of the currently available MVET revenue due to local conditions and constraints on their ability to generate sufficient matching funds. These conditions include, with examples:

   a. Geographic Considerations

   Because of its proximity to Oregon, which does not have a sales tax, taxable retail sales per capita in Clark County are among the lowest in the state.

   b. Size Considerations

   Because of its small size and inability to use sales tax revenue as an MVET match, Prosser only matches about 10 percent of its available MVET.

3. The rate reduction which is to take effect in 1993 will serve to redirect MVET revenue, which currently flows directly to transit districts with few stipulations as to their use, into the special Public Transportation Accounts (e.g., the Central Puget Sound Public Transportation Account and the Public Transportation System Account), to be made available to transit for limited types of capital projects. The benefits that transit agencies will receive from the new MVET accounts are unknown at this time. Also there is currently no process established for the distribution of the funds deposited in these accounts.

4. The impact of the MVET rate reduction will be felt by only about half of the transit districts in the state. The others will see no change because, even at the lower rate, they will be unable to generate enough local matching funds

(assuming existing rates). The impact of the rollback in the rate, in terms of the MVET revenue flowing into the special accounts, as opposed to the current situation where the funds flow directly to districts, will be approximately $10 million in 1993 growing to almost $14 million in the year 2000. Metro will absorb more than half of this lost revenue ($5 million in 1993 and $8 million in 2000).

Of the districts which will experience an adverse impact from the rate reduction in 1993, six will experience a marginal net decrease in MVET revenue from 1992 to 1993, with a maximum expected percentage decline of approximately 2 percent. The other districts will see marginal increases in 1993, because the growth in the taxable base exceeds the reduction in the rate.

5. The full impact of the MVET changes in 1990 will not be known for a couple of years. It will take that long to determine whether or not the change to a statutory depreciation schedule and the corresponding rate adjustments were truly revenue neutral.

6. Senate and House reauthorization bills for the Federal Surface Transportation Act contain significant funding level increases for both transit capital and operating funding. Existing reauthorization proposals would keep federal funding at current levels, or, even possibly, funding levels could increase over the life of the authorization.

7. There is currently no process established for distributing federal transportation trust fund balances, should those become available to Washington State.

8. Section 18 funds are currently available for all transit systems in the state that are in or serve areas outside of urbanized areas (i.e. rural areas). Three conclusions are drawn:

    a. urban and rural agencies compete theoretically on an equal basis for an insufficient amount of Section 18 funds to meet the demand.

    b. urban systems sometimes receive Section 18 funds and rural agencies do not; and

    c. the agencies do not clearly understand what a successful Section 18 grant application would include or how it should be filled out (i.e. it is perceived that there are variable requirements for filling out and filing an application upon which success is determined but the evaluation process is unknown).

9. Federal funding has provided a variable but still significant portion of total state public transportation funding in Washington over the last decade. After allowing for the removal of the Section 3 discretionary funding for the Metro bus tunnel, federal funds have averaged in the neighborhood of 15 percent of total revenues.

10. Given that random drug testing of transit employees has been determined to be unconstitutional in the State of Washington and that federal funds will likely be conditional on the implementation of such a testing program, Washington's eligibility for federal assistance could be jeopardized.

11. Federal 13(c) labor issues have produced some trepidation, which has stopped or slowed some systems in their pursuit of federal funds (e.g. Walla Walla, and the State).

IMPORTANT

IT NEEDS TO BE EMPHASIZED THAT THE HISTORICAL AND PROJECTED REVENUES IN THE DISTRICT LEVEL TABLES IN THIS APPENDIX ARE DERIVED FROM DIFFERENT SOURCES AND MAY OR MAY NOT BE COMPLETELY COMPARABLE. FOR EXAMPLE, THE MVET REVENUES IN THE HISTORICAL DATA ARE REPORTED ON AN ACCRUAL BASIS, IN COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, WHILE THE PROJECTIONS ARE ON A CASH BASIS, SINCE THE OBJECTIVE OF THE STUDY IS TO ANALYZE THE ADEQUACY OF CURRENT FUNDING. IT MAY THEREFORE BE NECESSARY TO REVIEW THE HISTORICAL AND PROJECTED REVENUES INFORMATION PRESENTED INDEPENDENT FROM ONE ANOTHER.

DISTRICT LEVEL PROJECTIONS APPEAR IN THE FOLLOWING ORDER:

Benton-Franklin PTBA
Chelan-Douglas PTBA
Clallam County PTBA
Clark County PTBA
Cowlitz PTBA
Everett (city)
Grays Harbor County
Island County PTBA
Jefferson County PTBA
King County Metro
Kitsap County PTBA
Lewis County PTBA
Pacific County
Pierce County PTBA
Prosser (city)
Pullman (city)
Snohomish County PTBA
Spokane County PTBA
Thurston County PTBA
Walla Walla County PTBA
Whatcom County PTBA
Yakima (city)

APPENDIX A

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Ben Franklin Transit (Benton-Franklin PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<-------- ACTUAL									PROJECTED -------->									
Population - Benton	107,726	106,877	106,035	105,200	106,632	108,084	109,556	111,048	112,560	112,702	112,844	112,986	113,128	113,271	113,404	113,536	113,669	113,802	113,936
Population - Franklin	35,025	35,159	35,293	35,428	35,564	35,700	36,048	36,399	36,753	37,111	37,473	37,554	37,635	37,717	37,798	37,880	37,959	38,037	38,116
% of population in PTBA (Benton)	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
% of population in PTBA (Frank.)	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%	73.9%
Service area population	113,099	112,511	111,928	111,351	112,611	113,888	115,336	116,803	118,290	118,669	119,051	119,226	119,401	119,577	119,745	119,913	120,078	120,244	120,410
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	1,300,000	1,226,000	930,000	949,667	1,020,667	966,000	1,007,667	1,074,333	1,242,000	1,304,100	1,369,305	1,437,770	1,509,659	1,585,142	1,664,399	1,747,619	1,835,000	1,926,750	2,023,087
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	3,900	3,678	2,790	2,849	3,062	2,898	3,023	3,223	3,726	3,912	4,108	4,313	4,529	4,755	4,993	5,243	5,505	5,780	6,069
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,188	4,305	4,104	4,332	4,657	4,936	5,233	5,546	5,879	6,232
MVET matched ('000)	2,314	2,276	2,360	2,587	2,950	2,800	3,023	3,098	4,187	3,912	4,108	4,104	4,332	4,657	4,936	5,233	5,505	5,780	6,069
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	275	197	0	0	0	0	0	41	99	163
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	340	308	202	178	69	6	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	502	453	471	431	340	300	369	417	420	51	151	89	92	30	30	30	30	30	30
Total non-operating revenue	6,716	6,407	5,621	5,867	6,352	5,998	6,415	6,738	8,333	8,216	8,675	8,709	9,131	9,511	9,966	10,505	11,040	11,590	12,169
Operating Revenue																			
Fares	148	399	465	551	634	628	595	579	673	800	896	977	1,066	1,155	1,225	1,299	1,377	1,459	1,547
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	148	399	465	551	634	628	595	579	673	800	896	977	1,066	1,155	1,225	1,299	1,377	1,459	1,547
Total State and Local Revenue	6,864	6,806	6,086	6,418	6,986	6,626	7,010	7,317	9,006	9,015	9,571	9,686	10,197	10,666	11,191	11,804	12,417	13,050	13,715
Productivity Measures																			
Taxable retail sales per capita ($)	11,494	10,897	8,309	8,529	9,064	8,482	8,737	9,198	10,500	0	11,502	12,059	12,644	13,256	13,900	14,574	15,282	16,024	16,802
Sales tax collections per capita ($)	34.48	32.69	24.93	25.59	27.19	25.45	26.21	27.59	31.50	32.97	34.51	36.18	37.93	39.77	41.70	43.72	45.85	48.07	50.41
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	35.3	36.2	34.4	36.3	38.9	41.2	43.6	46.2	48.9	51.8
Operating revenue per capita ($)	1.31	3.55	4.15	4.95	5.63	5.51	5.16	4.96	5.69	6.74	7.53	8.19	8.93	9.66	10.23	10.83	11.46	12.13	12.84

Assumptions:
- Fare income includes fares from bus, Dial-a-ride, and vanpool operations
- Sales tax base is assumed to grow at 5.0% from 1991-2000
- Other local revenue is equal to interest income
- Other revenue includes advertising and Misc. & Salvage income. After 1994 all other revenue is advertising income
- Fare revenues are assumed to grow at 6% per year after 1996

Notes:
- Projections based on information supplied by Ben Franklin Transit, Six Year Transit Development and Financial Plan
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections

Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

LINK Transit (Chelan/Douglas PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<------ ACTUAL									PROJECTED ------>									
Population (Chelan)	46,406	47,094	47,792	48,500	49,228	49,967	50,716	51,477	52,250	52,829	53,414	54,006	54,605	55,210	55,785	56,366	56,954	57,547	58,147
Population (Douglas)	22,443	22,595	22,747	22,900	23,526	24,169	24,829	25,508	26,205	26,542	26,884	27,230	27,580	27,935	28,271	28,611	28,955	29,303	29,655
% of population in PTBA (Chelan)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% of population in PTBA (Douglas)	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Service area population	64,352	65,161	65,980	66,811	68,039	69,292	70,570	71,874	73,204	74,052	74,911	75,779	76,658	77,546	78,390	79,244	80,106	80,978	81,859
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)									n/a	508,750	534,188	560,897	588,942	618,389	649,308	681,774	715,862	751,655	789,238
Transit sales tax rate (%)									0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Sales Tax ('000)									201	2,035	2,137	2,244	2,356	2,474	2,597	2,727	2,863	3,007	3,157
MVET																			
MVET available ('000)										2,469	2,642	2,551	2,727	2,931	3,107	3,294	3,491	3,701	3,923
MVET matched ('000)										2,035	2,137	2,244	2,356	2,474	2,597	2,727	2,863	3,007	3,157
MVET lost to Transportation Fund										434	506	308	371	458	510	566	628	694	766
Other revenues																			
Household Tax									n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax									n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax									n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local									0	0	0	0	0	0	0	0	0	0	0
Other state									30	50	0	0	0	0	0	0	0	0	0
Other revenue									0	0	0	0	0	0	0	0	0	0	0
Total non-operating revenue									231	4,120	4,274	4,487	4,712	4,947	5,194	5,454	5,727	6,013	6,314
Operating Revenue																			
Fares									0	0	0	0	0	0	0	0	0	0	0
Other									0	2	3	3	3	3	3	3	3	4	4
Total operating revenue									0	2	3	3	3	3	3	3	3	4	4
Total State and Local Revenue									231	4,122	4,276	4,490	4,714	4,950	5,198	5,457	5,730	6,017	6,318
Productivity Measures																			
Taxable retail sales per capita ($)									0	6,870	7,131	7,402	7,683	7,974	8,283	8,604	8,936	9,282	9,641
Sales tax collections per capita ($)									n/a	27.48	28.52	29.61	30.73	31.90	33.13	34.41	35.75	37.13	38.57
Available MVET per capita ($)									n/a	33.3	35.3	33.7	35.6	37.8	39.6	41.6	43.6	45.7	47.9
Operating revenue per capita ($)									0.00	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.05

Assumptions:
- LINK Transit will be operate a fare free system
- Sales tax base is assumed to grow at 5.0% from 1992-2000 (assumed rate of general inflation)
- 1991 estimate of sales tax revenue is taken from the approved LINK Transit 1991 Budget
- Revenue from vanpool operations (other operating revenue) is estimated to be $2,400 in 1991 and to grow at rate of general inflation
- A state grant of $50,000 is in the 1991 budget but not assumed in any forecast years

Notes:
- Projections based on information supplied by LINK Transit
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Clallam Transit (Clallam County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<------- ACTUAL		PROJECTED ------->									
County Population	52,027	52,217	52,408	52,600	53,351	54,113	54,885	55,669	56,464	56,862	57,263	57,667	58,074	58,484	58,878	59,275	59,674	60,076	60,481
% of population in PTBA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service area population	52,027	52,217	52,408	52,600	53,351	54,113	54,885	55,669	56,464	56,862	57,263	57,667	58,074	58,484	58,878	59,275	59,674	60,076	60,481
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	235,333	244,333	286,667	348,667	340,000	348,333	382,000	438,000	492,333	507,103	522,316	537,986	554,126	570,749	587,872	605,508	623,673	642,383	661,655
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	706	733	860	1,046	1,020	1,045	1,146	1,314	1,477	1,521	1,567	1,614	1,662	1,712	1,764	1,817	1,871	1,927	1,985
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,854	1,956	1,893	2,028	2,180	2,311	2,450	2,597	2,752	2,918
MVET matched ('000)	705	663	823	953	1,100	1,078	1,092	1,186	1,474	1,521	1,567	1,614	1,662	1,712	1,764	1,817	1,871	1,927	1,985
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	332	389	279	366	468	547	633	726	825	933
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	201	150	129	77	86	39	74	87	232	100	100	100	100	100	100	100	100	100	100
Total non-operating revenue	1,612	1,546	1,812	2,076	2,206	2,162	2,312	2,587	3,183	3,143	3,234	3,328	3,425	3,524	3,627	3,733	3,842	3,954	4,070
Operating Revenue																			
Fares	93	106	125	165	154	153	165	180	246	258	271	285	299	314	330	346	363	382	401
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	93	106	125	165	154	153	165	180	246	258	271	285	299	314	330	346	363	382	401
Total State and Local Revenue	1,705	1,652	1,937	2,241	2,360	2,315	2,477	2,767	3,429	3,401	3,505	3,613	3,724	3,838	3,957	4,079	4,205	4,336	4,471
Productivity Measures																			
Taxable retail sales per capita ($)	4,523	4,679	5,470	6,629	6,373	6,437	6,960	7,868	8,719	8,918	9,121	9,329	9,542	9,759	9,985	10,215	10,451	10,693	10,940
Sales tax collections per capita ($)	13.57	14.04	16.41	19.89	19.12	19.31	20.88	23.60	26.16	26.75	27.36	27.99	28.63	29.28	29.95	30.65	31.35	32.08	32.82
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	32.6	34.1	32.8	34.9	37.3	39.3	41.3	43.5	45.8	48.2
Operating revenue per capita ($)	1.79	2.03	2.39	3.14	2.89	2.83	3.01	3.23	4.36	4.54	4.74	4.94	5.15	5.37	5.60	5.84	6.09	6.35	6.63

Assumptions:
- Fare income is estimated to grow at 5% per year through 1991-2000
- Sales tax base is assumed to grow at 5.0% from 1991-2000
- Other revenues are still to be determined in conjunction with Clallam Transit

Notes:
- Projections based on information supplied by Clallam Transit, Six Year Projection of Cash Flow
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

C-Tran (Clark County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<------- ACTUAL		PROJECTED ------->									
County Population	196,621	198,855	201,115	203,400	209,901	216,611	223,535	230,680	238,053	241,551	245,100	248,701	252,355	256,063	259,549	263,083	266,665	270,295	273,975
% of population in PTBA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service area population	196,538	198,771	201,030	203,315	209,813	216,520	223,441	230,583	237,953	241,449	244,997	248,596	252,249	255,955	259,440	262,972	266,553	270,182	273,860
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	1,003,000	1,045,667	1,366,500	1,387,500	1,357,500	1,502,000	1,643,500	1,736,333	1,989,333	2,088,800	2,193,240	2,302,902	2,418,047	2,538,949	2,665,897	2,799,192	2,939,151	3,086,109	3,240,414
Transit sales tax rate (%)	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	3,009	3,137	2,733	2,775	2,715	3,004	3,287	5,209	5,968	6,266	6,580	6,909	7,254	7,617	7,998	8,398	8,817	9,258	9,721
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8,188	8,567	8,831	9,668	10,393	11,016	11,677	12,378	13,120	13,908
MVET matched ('000)	2,928	3,166	2,806	2,591	2,786	2,886	3,288	5,034	5,928	6,266	6,580	6,909	7,254	7,617	7,998	8,398	8,817	9,258	9,721
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,921	1,988	1,922	2,414	2,776	3,019	3,280	3,560	3,862	4,186
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	1,478	1,432	1,624	1,762	1,811	2,039	2,161	2,291	2,428	2,574
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenues	369	422	1,022	936	754	1,046	1,341	1,994	2,304	0	0	0	0	0	0	0	0	0	0
Total non-operating revenue	6,306	6,725	6,561	6,302	6,255	6,936	7,916	12,237	14,200	14,011	14,591	15,442	16,270	17,045	18,034	18,956	19,926	20,945	22,016
Operating Revenue																			
Fares	385	519	626	663	717	862	942	1,097	1,268	1,277	1,722	1,904	2,110	2,332	2,463	2,748	3,066	3,420	3,816
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	385	519	626	663	717	862	942	1,097	1,268	1,277	1,722	1,904	2,110	2,332	2,463	2,748	3,066	3,420	3,816
Total State and Local Revenue	6,691	7,244	7,187	6,965	6,972	7,798	8,858	13,334	15,468	15,288	16,313	17,346	18,380	19,377	20,497	21,704	22,992	24,365	25,833
Productivity Measures																			
Taxable retail sales per capita ($)	5,103	5,261	6,797	6,824	6,470	6,937	7,355	7,530	8,360	8,651	8,952	9,264	9,586	9,920	10,276	10,644	11,027	11,422	11,832
Sales tax collections per capita ($)	15.31	15.78	13.59	13.65	12.94	13.87	14.71	22.59	25.08	25.95	26.86	27.79	28.76	29.76	30.83	31.93	33.08	34.27	35.50
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	33.9	35.0	35.5	38.3	40.6	42.5	44.4	46.4	48.6	50.8
Operating revenue per capita ($)	1.96	2.61	3.11	3.26	3.42	3.98	4.22	4.76	5.33	5.29	7.03	7.66	8.36	9.11	9.49	10.45	11.50	12.66	13.93

Assumptions:
- Taxable retail sales are pjected to grow at 5% per year (1991-2000) based on the long term trend for the region (1978-1990)
- Proceeds from interest income are included as other revenues.
- Fares are assumed to grow at either the average annual rate of growth of the projections (1991-1996) or at the average annual rate of growth over the period since 1982, whichever is less.
- Interest income for the period 1997-2000 is based on the average of the previous six year.

Notes:
- In March of 1984 the sales tax rate was reduced from 0.3% to 0.2%
- In January of 1989 the sales tax rate was returned to the 0.3% rate
- Projections based on information supplied by C-TRAN, Transit Development and Financial Plan, December 1990
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections

Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Community Urban Bus Service (Cowlitz PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
							<------- ACTUAL			PROJECTED ------->									
County Population	79,569	79,579	79,590	79,600	80,098	80,598	81,102	81,609	82,119	82,194	82,268	82,343	82,418	82,493	82,560	82,628	82,696	82,763	82,831
% of population in PTBA	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%	50.1%
Service area population	39,872	39,877	39,882	39,888	40,137	40,388	40,640	40,894	41,150	41,187	41,225	41,262	41,300	41,337	41,371	41,405	41,439	41,473	41,507
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)							385,000	541,000	574,000	605,570	638,876	674,015	711,085	750,195	791,456	834,986	880,910	929,360	980,475
Transit sales tax rate (%)							0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Sales Tax ('000)							385	541	574	606	639	674	711	750	791	835	881	929	980
MVET																			
MVET available ('000)							n/a	n/a	n/a	1,404	1,513	1,458	1,556	1,672	1,772	1,879	1,992	2,111	2,238
MVET matched ('000)							352	395	578	606	639	674	711	750	791	835	881	929	980
MVET lost to Transportation Fund							n/a	n/a	n/a	798	874	784	844	922	981	1,044	1,111	1,182	1,257
Other revenues																			
Household Tax							n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax							n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax							n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local										71	83	85	96	103	106	111	117	123	129
Other state																			
Other revenue							2	2											
Total non-operating revenue							739	938	1,152	1,282	1,361	1,433	1,518	1,603	1,689	1,781	1,879	1,981	2,090
Operating Revenue																			
Fares							64	60	60	60	60	60	60	60	60	60	60	60	60
Other																			
Total operating revenue							64	60	60	60	60	60	60	60	60	60	60	60	60
Total State and Local Revenue							803	998	1,212	1,342	1,421	1,493	1,578	1,663	1,749	1,841	1,939	2,041	2,150
Productivity Measures																			
Taxable retail sales per capita ($)							9,473	13,229	13,949	14,703	15,497	16,335	17,218	18,148	19,131	20,166	21,258	22,409	23,622
Sales tax collections per capita ($)							9.47	13.23	13.95	14.70	15.50	16.33	17.22	18.15	19.13	20.17	21.26	22.41	23.62
Available MVET per capita ($)							n/a	n/a	n/a	34.1	36.7	35.3	37.7	40.5	42.8	45.4	48.1	50.9	53.9
Operating revenue per capita ($)							1.57	1.47	1.46	1.46	1.46	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45

Assumptions:

- Fare income is estimated as previous years farebox revenue
- Sales tax base is assumed to grow at 5.5% from 1991-2000
- Other revenues represent interest income and are assumed to grow at 5% for the period 1996-2000, previous years estimates are based on CUBS information

Notes:

- Projections based on information supplied by Community Urban Bus Service, Six Year Transit Development and Financial Plan
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Everett Transit (City of Everett)

	1982	1983	1984	1985	1986	1987	1988	<------ ACTUAL 1989	1990	PROJECTED ------> 1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
County Population	351,413	358,466	365,661	373,000	389,922	407,611	426,103	445,434	465,642	477,438	489,534	501,936	514,652	527,690	539,521	551,618	563,985	576,631	589,559
% of population in service area	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%
Service area population	115,685	118,007	120,376	122,792	128,362	134,186	140,273	146,637	153,289	157,173	161,155	165,237	169,423	173,715	177,610	181,593	185,664	189,827	194,083
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	674,000	755,667	790,000	854,000	876,667	1,112,333	1,106,667	1,449,333	1,528,667	1,605,100	1,685,355	1,769,623	1,858,104	1,951,009	2,048,560	2,150,988	2,258,537	2,371,464	2,490,037
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	2,022	2,267	2,370	2,562	2,630	3,337	3,320	4,348	4,586	4,815	5,056	5,309	5,574	5,853	6,146	6,453	6,776	7,114	7,470
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MVET matched ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	237	256	333	497	492	587	650	561	578	449	320	313	288	264	221	124	85	22	
Total non-operating revenue	2,259	2,523	2,703	3,059	3,122	3,924	3,970	4,909	5,164	5,264	5,376	5,622	5,862	6,117	6,366	6,577	6,860	7,136	7,470
Operating Revenue																			
Fares	263	263	291	287	293	257	276	278	304	319	335	352	370	388	407	428	449	472	495
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	263	263	291	287	293	257	276	278	304	319	335	352	370	388	407	428	449	472	495
Total State and Local Revenue	2,522	2,786	2,994	3,346	3,415	4,181	4,246	5,187	5,468	5,583	5,711	5,974	6,232	6,505	6,774	7,004	7,310	7,608	7,965
Productivity Measures																			
Taxable retail sales per capita ($)	5,826	6,404	6,563	6,955	6,830	8,290	7,889	9,884	9,972	10,212	10,458	10,710	10,967	11,231	11,534	11,845	12,165	12,493	12,830
Sales tax collections per capita ($)	17.48	19.21	19.69	20.86	20.49	24.87	23.67	29.65	29.92	30.64	31.37	32.13	32.90	33.69	34.60	35.54	36.49	37.48	38.49
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operating revenue per capita ($)	2.27	2.23	2.42	2.34	2.28	1.92	1.97	1.90	1.98	2.03	2.08	2.13	2.18	2.23	2.29	2.36	2.42	2.48	2.55

Assumptions:
- Sales tax and farebox revenue are assumed to grow at 5% per year (rate of general inflation)

Notes:
- Projections based on information supplied by City of Everett
- Everett Transit is not eligible to receive MVET revenues
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections

Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Grays Harbor Transportation Authority (Grays Harbor County)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<------- ACTUAL									PROJECTED ------->									
County Population	65,338	64,855	64,376	63,900	63,955	64,010	64,065	64,120	64,175	64,203	64,231	64,258	64,286	64,314	64,336	64,359	64,381	64,403	64,426
% of population in service area	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service area population	65,338	64,855	64,376	63,900	63,955	64,010	64,065	64,120	64,175	64,203	64,231	64,258	64,286	64,314	64,336	64,359	64,381	64,403	64,426
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	832,500	635,000	451,500	424,500	409,000	433,333	478,000	495,000	504,000	518,566	533,552	548,972	564,837	581,161	597,956	615,237	633,018	651,312	670,135
Transit sales tax rate (%)	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	1,665	1,270	903	849	1,227	1,300	1,434	1,485	1,512	1,556	1,601	1,647	1,695	1,743	1,794	1,846	1,899	1,954	2,010
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,889	2,017	1,907	1,995	2,145	2,274	2,410	2,555	2,708	2,870
MVET matched ('000)	1,119	1,106	1,184	624	1,155	1,144	1,371	1,521	1,485	1,556	1,601	1,647	1,695	1,743	1,794	1,846	1,899	1,954	2,010
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	333	416	260	301	402	480	564	656	754	860
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	1,004	787	661	581	385	321	402	488	526	467	480	494	508	523	538	554	570	586	603
Total non-operating revenue	3,788	3,163	2,748	2,054	2,767	2,765	3,207	3,494	3,523	3,578	3,682	3,788	3,897	4,010	4,126	4,245	4,368	4,494	4,624
Operating Revenue																			
Fares	353	372	265	240	225	221	220	245	261	251	242	233	224	216	208	200	193	186	179
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	353	372	265	240	225	221	220	245	261	251	242	233	224	216	208	200	193	186	179
Total State and Local Revenue	4,141	3,535	3,013	2,294	2,992	2,986	3,427	3,739	3,784	3,829	3,924	4,021	4,122	4,226	4,334	4,446	4,561	4,680	4,803
Productivity Measures																			
Taxable retail sales per capita ($)	12,742	9,791	7,014	6,643	6,395	6,770	7,461	7,720	7,854	8,077	8,307	8,543	8,786	9,036	9,294	9,560	9,832	10,113	10,402
Sales tax collections per capita ($)	25.48	19.58	14.03	13.29	19.19	20.31	22.38	23.16	23.56	24.23	24.92	25.63	26.36	27.11	27.88	28.68	29.50	30.34	31.20
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	29.4	31.4	29.7	31.0	33.4	35.3	37.4	39.7	42.0	44.6
Operating revenue per capita ($)	5.40	5.74	4.12	3.76	3.52	3.45	3.43	3.82	4.07	3.91	3.77	3.63	3.49	3.36	3.23	3.11	3.00	2.89	2.78

Assumptions:

- Fare income is estimated to grow at 5% per year through 1991-2000
- Sales tax base is assumed to grow at 2.89% from 1991-2000, based on prejections provided by Grays Harbor
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Notes:

- Projections based on information supplied by Jefferson Transit, Six Year Transit Development Plan
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Island Transit (Island County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
					<------ ACTUAL					PROJECTED ------->									
County Population	46,041	47,071	48,124	49,200	51,225	53,334	55,529	57,815	60,195	61,642	63,123	64,640	66,194	67,785	69,235	70,716	72,229	73,774	75,353
% of population in PTBA	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%	62.1%
Service area population	28,582	29,221	29,875	30,543	31,801	33,110	34,473	35,892	37,369	38,267	39,187	40,129	41,093	42,081	42,981	43,901	44,840	45,799	46,779
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)					9,667	167,000	198,667	226,667	262,000	297,667	321,480	347,198	374,974	404,972	437,370	472,360	510,148	550,960	595,037
Transit sales tax rate (%)					0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)					29	501	596	680	786	893	964	1,042	1,125	1,215	1,312	1,417	1,530	1,653	1,785
MVET																			
MVET available ('000)					n/a	n/a	n/a	n/a	n/a	845	884	869	946	1,017	1,078	1,143	1,211	1,284	1,361
MVET matched ('000)					0	420	464	783	694	845	884	869	946	1,017	1,078	1,143	1,211	1,284	1,361
MVET lost to Transportation Fund					n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax					n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax					n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax					n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local					0	0	0	0	0	78	84	91	98	106	115	124	134	144	156
Other state					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue					0	493	8	19	58	0	0	0	0	0	0	0	0	0	0
Total non-operating revenue					29	1,414	1,068	1,482	1,538	1,816	1,933	2,002	2,169	2,338	2,505	2,684	2,875	3,081	3,302
Operating Revenue																			
Fares					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other					0	0	10	16	26	29	32	34	37	40	43	46	48	51	54
Total operating revenue					0	0	10	16	26	29	32	34	37	40	43	46	48	51	54
Total State and Local Revenue					29	1,414	1,078	1,498	1,564	1,846	1,964	2,036	2,206	2,378	2,548	2,729	2,924	3,132	3,356
Productivity Measures																			
Taxable retail sales per capita ($)					304	5,044	5,763	6,315	7,011	7,779	8,204	8,652	9,125	9,624	10,176	10,760	11,377	12,030	12,720
Sales tax collections per capita ($)					0.91	15.13	17.29	18.95	21.03	23.34	24.61	25.96	27.37	28.87	30.53	32.28	34.13	36.09	38.16
Available MVET per capita ($)					n/a	n/a	n/a	n/a	n/a	22.1	22.6	21.7	23.0	24.2	25.1	26.0	27.0	28.0	29.1
Operating revenue per capita ($)					0.00	0.00	0.29	0.45	0.70	0.77	0.81	0.85	0.90	0.95	1.00	1.04	1.08	1.12	1.16

Assumptions:
- Other operating revenue is defined in this case as Vanpool revenue
- Sales tax base is assumed to grow at 5.5% in 1991 and then 7.0% from 1992-2000
- Vanpool income is taken from Island Comprehensive Plan (1991-1996) and is estimated to grow at 6% per year through 1996-2000
- Island Transit provides fare free transit service

Notes:
- Projections based on information supplied by Island Transit, Draft update of the 1990 Comprehensive Plan
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Jefferson Transit (Jefferson County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<-------- ACTUAL									PROJECTED -------->									
County Population	16,562	16,869	17,182	17,500	18,000	18,514	19,043	19,587	20,146	20,525	20,911	21,305	21,706	22,114	22,493	22,879	23,271	23,669	24,075
% of population in PTBA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service area population	16,562	16,869	17,182	17,500	18,000	18,514	19,043	19,587	20,146	20,525	20,911	21,305	21,706	22,114	22,493	22,879	23,271	23,669	24,075
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	151,667	96,333	102,667	97,000	92,667	106,000	118,000	137,000	180,667	190,603	203,946	218,222	233,497	249,842	267,331	286,044	306,067	327,492	350,416
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	455	289	308	291	278	318	354	411	542	572	612	655	700	750	802	858	918	982	1,051
MVET																			
MVHT available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	552	577	571	625	672	712	755	800	848	899
MVHT matched ('000)	216	219	242	264	287	339	343	394	473	552	577	571	625	672	712	755	800	848	899
MVHT lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	5	5	6	6	6	6	7	7	8	8
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	35	52	55	57	54	47	54	74	81	13	13	14	15	15	16	17	18	19	21
Total non-operating revenue	706	560	605	612	619	704	751	879	1,096	1,142	1,207	1,245	1,346	1,443	1,537	1,637	1,744	1,858	1,979
Operating Revenue																			
Fares	24	51	60	64	67	89	73	80	81	91	95	100	105	110	116	122	128	134	141
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	24	51	60	64	67	89	73	80	81	91	95	100	105	110	116	122	128	134	141
Total State and Local Revenue	730	611	665	676	686	793	824	959	1,177	1,233	1,303	1,345	1,451	1,553	1,653	1,759	1,872	1,992	2,120
Productivity Measures																			
Taxable retail sales per capita ($)	9,157	5,711	5,975	5,543	5,148	5,725	6,197	6,995	8,968	9,286	9,753	10,243	10,757	11,298	11,885	12,503	13,153	13,836	14,555
Sales tax collections per capita ($)	27.47	17.13	17.93	16.63	15.44	17.18	18.59	20.98	26.90	27.86	29.26	30.73	32.27	33.89	35.65	37.51	39.46	41.51	43.67
Available MVHT per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26.9	27.6	26.8	28.8	30.4	31.7	33.0	34.4	35.8	37.4
Operating revenue per capita ($)	1.45	3.02	3.49	3.66	3.72	4.81	3.83	4.08	4.02	4.42	4.56	4.70	4.84	4.99	5.15	5.32	5.49	5.67	5.85

Assumptions:
- Fare income is estimated to grow at 5% per year through 1991-2000
- Sales tax base is assumed to grow at 5.5% in 1991 and then 7.0% from 1992-2000

Notes:
- Projections based on information supplied by Jefferson Transit, Six Year Transit Development Plan
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Municipality of Metropolitan Seattle (Metro)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<------- ACTUAL									PROJECTED ------->									
County Population	1,299,869	1,315,198	1,330,708	1,346,400	1,377,147	1,408,596	1,440,764	1,473,666	1,507,319	1,529,104	1,551,204	1,573,623	1,596,366	1,619,438	1,641,151	1,663,155	1,685,454	1,708,052	1,730,953
% of population in PTBA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service area population	1,299,869	1,315,198	1,330,708	1,346,400	1,377,147	1,408,596	1,440,764	1,473,666	1,507,319	1,529,104	1,551,204	1,573,623	1,596,366	1,619,438	1,641,151	1,663,155	1,685,454	1,708,052	1,730,953
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	11,354,667	12,373,667	13,364,500	14,278,833	15,601,667	16,769,000	17,581,000	20,778,500	22,922,000	23,061,333	25,785,667	27,590,667	29,522,000	31,588,500	33,799,667	36,165,667	38,697,333	41,406,167	44,304,500
Transit sales tax rate (%)	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Sales Tax ('000)	68,128	74,242	80,187	85,673	93,610	100,614	105,486	124,671	137,532	138,368	154,714	165,544	177,132	189,531	202,798	216,994	232,184	248,437	265,827
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	62,199	70,157	72,165	78,848	84,758	89,843	95,234	100,948	107,005	113,425
MVET matched ('000)	26,521	27,633	33,317	35,068	43,917	46,181	49,988	55,358	62,445	62,199	70,157	72,165	78,848	84,758	89,843	95,234	100,948	107,005	113,425
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	156	140	507	1,099	507	0	15	280	13,873	1,442	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Other state	717	934	1,329	1,681	-1,428	545	1,988	1,408	1,401	0	1,830	1,250	0	0	0	0	0	0	0
Other revenues	4,013	6,312	7,786	10,095	11,981	11,276	9,506	10,985	12,512	3,075	11,672	4,360	3,827	9,553	5,375	6,614	6,827	5,985	7,065
Total non-operating revenue	99,535	109,261	123,126	133,616	148,587	158,616	166,983	192,702	227,763	205,084	239,763	244,709	261,197	285,232	299,406	320,232	341,349	362,817	387,707
Operating Revenue																			
Fares	31,587	29,967	31,561	34,350	34,743	31,485	32,901	36,768	39,449	38,608	40,658	45,608	47,427	52,906	54,942	61,221	63,577	70,771	73,580
Other	0	0	0	0	0	0	0	0	0	6,876	10,680	12,263	13,307	14,719	15,973	17,006	18,085	19,282	20,615
Total operating revenue	31,587	29,967	31,561	34,350	34,743	31,485	32,901	36,768	39,449	45,484	51,338	57,871	60,734	67,625	70,915	78,227	81,662	90,053	94,195
Total State and Local Revenue	131,122	139,228	154,687	167,966	183,330	190,101	199,884	229,470	267,212	250,568	291,101	302,580	321,931	352,857	370,321	398,459	423,011	452,870	481,902
Productivity Measures																			
Taxable retail sales per capita ($)	8,735	9,408	10,043	10,605	11,329	11,905	12,203	14,100	15,207	15,082	16,623	17,533	18,493	19,506	20,595	21,745	22,960	24,242	25,595
Sales tax collections per capita ($)	52.41	56.45	60.26	63.63	67.97	71.43	73.22	84.60	91.24	90.49	99.74	105.20	110.96	117.04	123.57	130.47	137.76	145.45	153.57
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40.7	45.2	45.9	49.4	52.3	54.7	57.3	59.9	62.6	65.5
Operating revenue per capita ($)	24.30	22.79	23.72	25.51	25.23	22.35	22.84	24.95	26.17	29.75	33.10	36.78	38.05	41.76	43.21	47.04	48.45	52.72	54.42

Assumptions:
- Taxable retail sales are expected to grow at 7% annually (5% inflation + 2% growth)
- Farebox revenue is based on maintaining a 25% recovery on operating costs and therefore escalate along with the increased service.

Notes:
- Projections based on information supplied by Metro, 1992 Budget, April 1991
- The 1991 estimates are based upon the adopted 1991 figures from the 1992 budget document, not on the projected 1991 figures.
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Kitsap Transit (Kitsap County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<------- ACTUAL									PROJECTED ------->									
County Population	155,087	159,214	163,451	167,800	171,973	176,251	180,634	185,127	189,731	192,730	195,776	198,871	202,014	205,207	208,199	211,234	214,314	217,438	220,609
% of population in PTBA	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%
Service area population	128,729	132,154	135,671	139,281	142,745	146,295	149,934	153,663	157,484	159,974	162,502	165,071	167,680	170,330	172,813	175,333	177,889	180,483	183,114
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	390,802	594,000	697,333	687,000	759,000	900,667	956,667	1,050,333	1,364,333	1,440,667	1,541,513	1,649,419	1,764,879	1,888,420	2,020,610	2,162,052	2,313,396	2,475,334	2,648,607
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	103	1,782	2,092	2,061	2,277	2,702	2,870	3,151	4,093	4,322	4,625	4,948	5,295	5,665	6,062	6,486	6,940	7,426	7,946
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,203	4,326	4,421	4,800	5,160	5,469	5,798	6,145	6,514	6,905
MVET matched ('000)	116	1,810	1,655	1,660	2,002	2,840	3,043	3,205	3,832	4,203	4,326	4,421	4,800	5,160	5,469	5,798	6,145	6,514	6,905
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	0	20	0	82	22	261	237	223	203	0	0	0	0	0	0	0	0	0	0
Total non-operating revenue	219	3,612	3,747	3,803	4,301	5,803	6,150	6,579	8,128	8,525	8,950	9,370	10,095	10,825	11,531	12,284	13,086	13,940	14,851
Operating Revenue																			
Fares	0	306	785	646	847	647	665	723	769	1,287	1,377	1,473	1,577	1,687	1,805	1,931	2,067	2,211	2,366
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	0	306	785	646	847	647	665	723	769	1,287	1,377	1,473	1,577	1,687	1,805	1,931	2,067	2,211	2,366
Total State and Local Revenue	219	3,918	4,532	4,449	5,148	6,450	6,815	7,302	8,897	9,812	10,328	10,843	11,671	12,512	13,336	14,215	15,152	16,151	17,217
Productivity Measures																			
Taxable retail sales per capita ($)	3,036	4,495	5,140	4,932	5,317	6,157	6,381	6,835	8,663	9,006	9,486	9,992	10,525	11,087	11,692	12,331	13,005	13,715	14,464
Sales tax collections per capita ($)	0.80	13.48	15.42	14.80	15.95	18.47	19.14	20.51	25.99	27.02	28.46	29.98	31.58	33.26	35.08	36.99	39.01	41.15	43.39
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26.3	26.6	26.8	28.6	30.3	31.6	33.1	34.5	36.1	37.7
Operating revenue per capita ($)	0.00	2.32	5.79	4.64	5.93	4.42	4.44	4.71	4.88	8.05	8.47	8.93	9.40	9.90	10.45	11.02	11.62	12.25	12.92

Assumptions:
- Assumes the PTBA will annex the remaining portion of the county, and thus have access to countywide MVET starting in 1992
- Sales tax rate is assumed to be increased from 0.3% to 0.5% at end of year 1991
- Taxable retail sales and operating income are assumed to grow at 7% (4% inflation + 3% growth) annually from 1991 to 2000

Notes:
- In October of 1982 the transit sales tax of 0.3% was instituted
- Projections based on information supplied by Kitsap Transit, 6 Year Plan, November 1990
- Income from fares in the projection period is actually all operating income
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Twin Transit (Lewis County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<------ ACTUAL									PROJECTED ------>									
County Population	56,215	56,310	56,405	56,500	57,060	57,626	58,198	58,775	59,358	59,583	59,808	60,035	60,262	60,490	60,710	60,931	61,152	61,374	61,598
% of population in PTBA	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%	31.2%
Service area population	17,550	17,580	17,610	17,639	17,814	17,991	18,169	18,350	18,532	18,602	18,672	18,743	18,814	18,885	18,954	19,023	19,092	19,161	19,231
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)					222,000	293,000	321,000	342,000	385,000	396,550	420,343	445,564	458,930	472,698	486,879	501,486	516,530	532,026	547,987
Transit sales tax rate (%)					0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Sales Tax ('000)					222	293	321	342	385	397	420	446	459	473	487	501	517	532	548
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	593	625	596	628	675	715	758	804	852	903
MVET matched ('000)	83	92	72	81	168	232	348	346	341	397	420	446	459	473	487	501	517	532	548
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	196	205	150	169	202	229	257	287	320	355
Other revenues																			
Household Tax	92	75	83	82	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	28	14	15	24	23	32	45	67	91	100	118	136	153	171	184	199	215	232	251
Total non-operating revenue	203	106	87	105	413	557	714	755	817	893	959	1,027	1,071	1,116	1,158	1,202	1,248	1,296	1,346
Operating Revenue																			
Fares	23	24	25	29	29	29	31	33	34	38	40	43	46	49	51	54	57	59	62
Other	0	0	0	0	0	0	0	0	0	3	4	4	4	4	4	5	5	5	5
Total operating revenue	23	24	25	29	29	29	31	33	34	41	44	47	50	53	56	59	61	65	68
Total State and Local Revenue	226	130	112	134	442	586	745	788	851	934	1,002	1,074	1,121	1,169	1,214	1,260	1,309	1,361	1,414
Productivity Measures																			
Taxable retail sales per capita ($)	0	0	0	0	12,462	16,286	17,667	18,638	20,775	21,318	22,512	23,773	24,393	25,030	25,688	26,363	27,055	27,766	28,495
Sales tax collections per capita ($)	0.00	0.00	0.00	0.00	12.46	16.29	17.67	18.64	20.78	21.32	22.51	23.77	24.39	25.03	25.69	26.36	27.06	27.77	28.50
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31.9	33.5	31.8	33.4	35.7	37.7	39.9	42.1	44.5	47.0
Operating revenue per capita ($)	1.31	1.37	1.42	1.64	1.63	1.61	1.71	1.80	1.83	2.20	2.35	2.50	2.66	2.81	2.94	3.08	3.22	3.37	3.52

Assumptions:
- Operating income (fares and other income) is estimated according to information provided by Twin Transit up to 1995, and is assumed to grow at 5% per year through 1996-2000
- Sales tax base is assumed to grow at 3.0% from 1991-2000
- Other revenues are as provided by Twin (1991-1995) and assumed to grow at 8% from 1996-2000

Notes:
- Projections based on information supplied by Twin Transit, Development Plan 1990-1995
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Pacific Transit System (Pacific County)

	1982	1983	1984	1985	1986	1987	1988	<------ ACTUAL 1989	1990	PROJECTED ------> 1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
County Population	17,342	17,394	17,447	17,500	17,768	18,040	18,317	18,597	18,882	18,920	18,958	18,996	19,034	19,072	19,109	19,145	19,182	19,218	19,255
% of population in service area	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Service area population	17,342	17,394	17,447	17,500	17,768	18,040	18,317	18,597	18,882	18,920	18,958	18,996	19,034	19,072	19,109	19,145	19,182	19,218	19,255
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	76,333	81,667	89,667	80,667	85,000	89,000	93,333	103,000	113,333	119,000	124,950	131,198	137,757	144,645	151,878	159,471	167,445	175,817	184,608
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	229	245	269	242	255	267	280	309	340	357	375	394	413	434	456	478	502	527	554
MVET																			
MVHT available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	523	535	511	540	581	616	652	692	733	777
MVET matched ('000)	227	199	251	288	216	261	292	285	330	357	375	394	413	434	456	478	502	527	554
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	166	160	118	127	147	160	174	189	206	223
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	43	12	35	25	16	24	33	41	36	36	37	39	41	43	46	48	50	53	55
Total non-operating revenue	499	456	555	555	487	552	605	635	706	750	787	827	868	911	957	1,005	1,055	1,108	1,163
Operating Revenue																			
Fares	3	11	18	23	34	38	42	46	51	55	60	65	70	76	83	90	98	106	115
Other																			
Total operating revenue	3	11	18	23	34	38	42	46	51	55	60	65	70	76	83	90	98	106	115
Total State and Local Revenue	502	467	573	578	521	590	647	681	757	805	847	891	938	988	1,040	1,095	1,153	1,214	1,278
Productivity Measures																			
Taxable retail sales per capita ($)	4,402	4,695	5,139	4,610	4,784	4,933	5,096	5,538	6,002	6,290	6,591	6,907	7,237	7,584	7,948	8,330	8,729	9,148	9,588
Sales tax collections per capita ($)	13.21	14.09	15.42	13.83	14.35	14.80	15.29	16.62	18.01	18.87	19.77	20.72	21.71	22.75	23.84	24.99	26.19	27.45	28.76
Available MVHT per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27.7	28.2	26.9	28.4	30.4	32.2	34.1	36.1	38.1	40.4
Operating revenue per capita ($)	0.17	0.63	1.03	1.31	1.91	2.11	2.29	2.47	2.70	2.99	3.14	3.41	3.69	4.00	4.34	4.70	5.10	5.52	5.99

Assumptions:
- Fare income is estimated to grow at 8.6% per year through 1991-2000
- Sales tax base is assumed to grow at 5.0% from 1991-2000
- Other revenue is assumed to be 5% of MVET and Sales Tax in the forecast period

Notes:
- Projections based on information supplied by Pacific Transit System, Response to Public Transportation Survey
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Pierce Transit (Pierce County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<-------- ACTUAL		PROJECTED -------->									
County Population	500,981	508,830	516,803	524,900	536,625	548,612	560,866	573,395	586,203	594,815	603,553	612,420	621,416	630,545	639,130	647,831	656,651	665,591	674,652
% of population in PTBA	82.3%	82.3%	82.3%	82.3%	82.3%	82.3%	82.3%	82.3%	82.9%	82.9%	82.9%	82.9%	82.9%	82.9%	82.9%	82.9%	82.9%	82.9%	82.9%
Service area population	412,357	418,818	425,380	432,045	441,696	451,562	461,649	471,961	486,250	493,393	500,641	507,996	515,459	523,031	530,152	537,369	544,685	552,101	559,617
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	2,737,000	2,880,667	3,148,667	3,248,333	3,345,000	3,771,667	4,088,333	4,504,667	4,750,000	5,082,500	5,438,275	5,818,954	6,226,281	6,662,121	7,128,469	7,627,462	8,161,384	8,732,681	9,343,969
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	8,211	8,642	9,446	9,745	10,035	11,315	12,265	13,514	14,250	15,248	16,315	17,457	18,679	19,986	21,385	22,882	24,484	26,198	28,032
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13,508	14,625	14,905	16,136	17,345	18,386	19,489	20,658	21,898	23,212
MVET matched ('000)	7,215	6,274	7,041	7,886	9,051	10,747	10,274	11,386	13,371	13,508	14,625	14,905	16,136	17,345	18,386	19,489	20,658	21,898	23,212
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	1,650	1,008	419	93	24	13	94	281	384	403
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	792	530	911	919	817	1,015	1,772	2,412	2,765	30	32	33	35	36	38	40	42	44	47
Total non-operating revenue	16,218	15,446	17,398	18,550	19,903	23,077	24,311	27,312	30,386	30,436	31,980	32,814	34,942	37,392	39,822	42,505	45,466	48,524	51,693
Operating Revenue																			
Fares	3,550	3,258	2,689	2,684	2,875	2,821	2,446	3,492	3,781	4,530	4,977	5,292	5,614	5,944	6,305	6,687	7,078	7,505	7,958
Other	0	0	0	0	0	0	0	0	0	170	179	187	197	207	217	228	239	251	264
Total operating revenue	3,550	3,258	2,689	2,684	2,875	2,821	2,446	3,492	3,781	4,700	5,156	5,479	5,811	6,150	6,522	6,915	7,317	7,757	8,222
Total State and Local Revenue	19,768	18,704	20,087	21,234	22,778	25,898	26,757	30,804	34,167	35,136	37,135	38,294	40,753	43,543	46,344	49,420	52,783	56,281	59,916
Productivity Measures																			
Taxable retail sales per capita ($)	6,637	6,878	7,402	7,519	7,573	8,352	8,856	9,545	9,769	10,301	10,863	11,455	12,079	12,738	13,446	14,194	14,984	15,817	16,697
Sales tax collections per capita ($)	19.91	20.63	22.21	22.56	22.72	25.06	26.57	28.63	29.31	30.90	32.59	34.36	36.24	38.21	40.34	42.58	44.95	47.45	50.09
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27.4	29.2	29.3	31.3	33.2	34.7	36.3	37.9	39.7	41.5
Operating revenue per capita ($)	8.61	7.78	6.32	6.21	6.51	6.25	5.30	7.40	7.78	9.53	10.30	10.79	11.27	11.76	12.30	12.87	13.43	14.05	14.69

Assumptions:
- Inflation is assumed at 5% per year
- Real growth in taxable retail sales is assumed to be 2% per year
- Population projections are taken from OFM

Notes:
- Projections based on information supplied by Pierce Transit, Draft 10 Year Strategic Plan, May 1991
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Prosser Rural Transit (City of Prosser)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<-------- ACTUAL									PROJECTED -------->									
County Population	107,726	106,877	106,035	105,200	106,632	108,084	109,556	111,048	112,560	112,702	112,844	112,986	113,128	113,271	113,404	113,536	113,669	113,802	113,936
% of population in transit district	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Service area population	4,007	3,976	3,945	3,913	3,967	4,021	4,075	4,131	4,187	4,193	4,198	4,203	4,208	4,214	4,219	4,224	4,228	4,233	4,238
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transit sales tax rate (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sales Tax ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	140	135	129	136	146	155	164	174	184	196
MVET matched ('000)	15	15	10	15	15	15	15	15	15	24	34	34	34	34	34	34	34	34	34
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	116	101	95	102	112	121	130	140	151	162
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9	19	19	19	19	19	19	19	19	19
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	15	23	10	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	17	14	9	6	11	10	1	8	7	10	10	11	11	11	11	12	12	12	12
Total non-operating revenue	47	52	29	36	41	40	31	38	37	59	78	78	79	79	79	79	80	80	80
Operating Revenue																			
Fares	3	4	5	8	9	6	15	16	25	26	26	27	27	28	28	29	29	30	30
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	3	4	5	8	9	6	15	16	25	26	26	27	27	28	28	29	29	30	30
Total State and Local Revenue	50	56	34	44	50	46	46	54	62	84	104	105	106	106	107	108	109	110	111
Productivity Measures																			
Taxable retail sales per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sales tax collections per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Available MVHT per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	33.4	32.1	30.6	32.3	34.7	36.7	38.9	41.2	43.6	46.1
Operating revenue per capita ($)	0.75	1.01	1.27	2.04	2.27	1.49	3.68	3.87	5.97	6.08	6.20	6.31	6.43	6.55	6.67	6.80	6.93	7.06	7.19

Assumptions:
- Fare income is estimated to grow at 2% per year through 1991-2000
- The City of Prosser instituted a Household Tax (effective June 1991) which is expected to yield $18,900 per year from 1992 to 2000. Six months of collections or half of this amount is assumed for 1991.
- It is assumed that the City will be able to pool the B&O and Household Taxes for MVET matching purposes
- Other revenues are assumed to grow at 2% per annum, from a base year (1991) of $10,000

Notes:
- Projections based on historical information and input from Prosser Rural Transit
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

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Pullman Transit (City of Pullman)

	<------ ACTUAL								PROJECTED ------>									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
County Population	39,901	39,800	39,700	39,600	39,434	39,268	39,103	38,939	38,775	38,984	39,194	39,405	39,617	39,830	40,036	40,243	40,451	40,660	40,869
% of population in service area	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%	60.4%
Service area population	24,088	24,028	23,967	23,907	23,806	23,706	23,606	23,507	23,408	23,535	23,661	23,789	23,917	24,046	24,170	24,295	24,420	24,546	24,673
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transit sales tax rate (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sales Tax ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MVET																			
MVHT available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	576	597	559	580	624	661	701	743	787	835
MVHT matched ('000)	217	269	206	238	248	250	322	312	346	350	362	371	380	390	399	410	421	432	443
MVHT lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	226	235	188	200	234	262	291	322	356	391
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	222	246	226	238	238	239	325	346	349	350	362	371	380	390	399	410	421	432	443
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	3	14	34	43	25	14	18	36	33	20	20	20	20	20	20	20	20	20	20
Total non-operating revenue	442	529	466	519	511	503	665	694	728	720	744	762	780	799	818	839	861	883	906
Operating Revenue																			
Fares	92	86	90	107	119	118	142	182	193	203	213	223	235	246	259	272	285	299	314
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	92	86	90	107	119	118	142	182	193	203	213	223	235	246	259	272	285	299	314
Total State and Local Revenue	534	615	556	626	630	621	807	876	921	923	957	985	1,015	1,045	1,077	1,111	1,146	1,183	1,221
Productivity Measures																			
Taxable retail sales per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sales tax collections per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Available MVHT per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24.5	25.2	23.5	24.3	25.9	27.4	28.8	30.4	32.1	33.8
Operating revenue per capita ($)	3.82	3.58	3.76	4.48	5.00	4.98	6.02	7.74	8.24	8.61	8.99	9.39	9.81	10.24	10.70	11.18	11.68	12.20	12.74

Assumptions:
- Fare income is estimated to grow at 5% per year through 1991-2000
- The Utility Tax is expected to grow at 5% per year

Notes:
- Projections based on information supplied by City of Pullman
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

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(In thousands of current year dollars)

Community Transit (Snohomish County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<------ ACTUAL		PROJECTED ------->									
County Population	351,413	358,466	365,661	373,000	389,922	407,611	426,103	445,434	465,642	477,438	489,534	501,936	514,652	527,690	539,521	551,618	563,985	576,631	589,559
% of population in PTBA	67.1%	67.1%	67.1%	67.1%	67.1%	67.1%	67.1%	67.1%	67.1%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%
Service area population	235,728	240,459	245,285	250,208	261,560	273,426	285,830	298,797	312,446	324,205	332,418	340,839	349,474	358,328	366,362	374,576	382,974	391,561	400,340
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	1,262,667	1,410,667	1,468,333	1,598,000	1,820,333	1,996,333	2,208,333	2,696,000	3,201,648	2,833,333	3,060,500	3,303,167	3,562,667	3,839,667	4,135,667	4,451,500	4,788,500	5,148,333	5,531,167
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Sales Tax ('000)	3,788	4,232	4,405	4,794	5,461	5,989	6,625	8,088	15,068	17,000	18,363	19,819	21,376	23,038	24,814	26,709	28,731	30,890	33,187
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11,012	12,235	12,741	14,094	15,150	16,059	17,022	18,044	19,126	20,274
MVET matched ('000)	3,560	4,177	4,405	4,794	5,461	5,989	6,625	8,088	9,743	11,012	12,235	12,741	14,094	15,150	16,059	17,022	18,044	19,126	20,274
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	1,068	1,641	1,126	934	940	919	1,192	1,656	2,043	1,889	1,811	2,017	2,458	2,637	3,073	2,938	3,341	3,487	3,277
Total non-operating revenue	8,416	10,050	9,936	10,522	11,862	12,897	14,442	17,832	26,854	29,901	32,409	34,577	37,928	40,825	43,946	46,669	50,116	53,503	56,738
Operating Revenue																			
Fares	516	533	607	1,846	2,268	2,404	2,864	3,266	3,524	4,512	5,891	6,858	7,230	8,363	8,772	10,100	10,551	12,101	12,597
Other operating revenue	0	0	0	0	0	0	0	0	0	195	239	271	296	323	370	402	436	492	532
Total operating revenue	516	533	607	1,846	2,268	2,404	2,864	3,266	3,524	4,707	6,130	7,129	7,526	8,686	9,142	10,502	10,987	12,593	13,129
Total State and Local Revenue	8,932	10,583	10,543	12,368	14,130	15,301	17,306	21,098	30,378	34,608	38,539	41,706	45,454	49,511	53,088	57,171	61,103	66,096	69,867
Productivity Measures																			
Taxable retail sales per capita ($)	5,356	5,867	5,986	6,387	6,960	7,301	7,726	9,023	10,247	8,739	9,207	9,691	10,194	10,716	11,288	11,884	12,503	13,148	13,816
Sales tax collections per capita ($)	16.07	17.60	17.96	19.16	20.88	21.90	23.18	27.07	48.23	52.44	55.24	58.15	61.17	64.29	67.73	71.30	75.02	78.89	82.90
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	34.0	36.8	37.4	40.3	42.3	43.8	45.4	47.1	48.8	50.6
Operating revenue per capita ($)	2.19	2.22	2.47	7.38	8.67	8.79	10.02	10.93	11.28	14.52	18.44	20.92	21.54	24.24	24.95	28.04	28.69	32.16	32.79

Assumptions:
- Taxable retail sales are expected to grow with inflation (5% per year) and population based on figures received from Community Transit
- Fares are based upon historical average fare per revenue hours adjusted for bi-annual fare increase

Notes:
- The decrease in total taxable retail sales in 1991, while appearing to look contrary to the trend, was corroborated with actual collections through June 1991
- In May of 1990 the sales tax rate was increased from 0.3% to 0.6%
- Projections based on information supplied by Community Transit, 1991 Budget, 2001 Plan System Update
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Spokane Transit (Spokane County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
	<------- ACTUAL									PROJECTED ------->									
County Population	346,767	349,260	351,771	354,300	355,702	357,109	358,522	359,940	361,364	361,993	362,622	363,253	363,885	364,518	365,117	365,717	366,317	366,919	367,521
% of population in PTBA	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%
Service area population	313,176	315,428	317,695	319,979	321,245	322,516	323,792	325,073	326,359	326,926	327,495	328,065	328,636	329,208	329,748	330,290	330,832	331,375	331,919
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	2,044,500	2,139,667	2,497,667	2,373,667	2,526,000	2,586,333	2,728,000	3,062,667	3,389,935	3,616,346	3,760,999	3,911,439	4,067,897	4,230,613	4,399,837	4,575,831	4,758,864	4,949,219	5,147,188
Transit sales tax rate (%)	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	4,089	6,419	7,493	7,721	7,578	7,759	8,184	9,188	10,170	10,849	11,283	11,734	12,204	12,692	13,200	13,727	14,277	14,848	15,442
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10,324	10,459	10,501	11,204	12,044	12,767	13,533	14,345	15,205	16,118
MVET matched ('000)	3,135	5,435	5,759	6,574	6,992	7,767	8,182	8,643	9,494	10,324	10,459	10,501	11,204	12,044	12,767	13,533	14,277	14,848	15,442
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	68	358	676
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	523	811	1,160	1,426	683	1,684	2,339	3,135	2,902	2,395	2,139	1,629	986	816	1,101	1,191	1,263	1,478	1,669
Total non-operating revenue	7,747	12,665	14,412	15,721	15,253	17,210	18,705	20,966	22,566	23,568	23,882	23,865	24,394	25,552	27,067	28,451	29,816	31,173	32,553
Operating Revenue																			
Fares	2,502	2,715	3,208	3,150	3,071	2,899	2,921	3,026	3,215	2,914	3,813	4,028	4,218	4,418	4,628	4,848	5,080	5,323	5,578
Other	0	0	0	0	0	0	0	0	0	398	419	896	943	992	1,045	1,100	1,105	1,131	1,149
Total operating revenue	2,502	2,715	3,208	3,150	3,071	2,899	2,921	3,026	3,215	3,312	4,232	4,924	5,161	5,410	5,673	5,948	6,185	6,454	6,727
Total State and Local Revenue	10,249	15,380	17,620	18,871	18,324	20,109	21,626	23,992	25,781	26,880	28,114	28,789	29,556	30,962	32,740	34,400	36,001	37,627	39,279
Productivity Measures																			
Taxable retail sales per capita ($)	6,528	6,783	7,862	8,043	7,863	8,019	8,425	9,421	10,387	11,062	11,484	11,923	12,378	12,851	13,343	13,854	14,385	14,935	15,507
Sales tax collections per capita ($)	13.06	20.35	23.59	24.13	23.59	24.06	25.28	28.26	31.16	33.18	34.45	35.77	37.13	38.55	40.03	41.56	43.15	44.81	46.52
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31.6	31.9	32.0	34.1	36.6	38.7	41.0	43.4	45.9	48.6
Operating revenue per capita ($)	7.99	8.61	10.10	9.84	9.56	8.99	9.02	9.31	9.85	10.13	12.92	15.01	15.71	16.43	17.20	18.01	18.69	19.48	20.27

Assumptions:
- Taxable retail sales are assumed to grow 6.68% in 1991 (5.8% actual 1982-90) and at 4% from 1992 to 2000
- Spokane Transit expects to increase the sales tax rate to 0.6% from 0.3% starting in 1994
- Fare revenues include a fare increase starting in 1992

Notes:
- Other revenue in the projection period is assumed to be investment income as forecast by the Spokane Transit Authority
- Projections based on information supplied by Spokane Transit Authority, May 1991
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Intercity Transit (Thurston County PTBA)

	1982	1983	1984	1985	1986	1987	1988	<------- ACTUAL 1989	1990	PROJECTED -------> 1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
County Population	130,148	133,193	136,310	139,500	143,599	147,819	152,163	156,635	161,238	164,833	168,507	172,264	176,104	180,030	183,629	187,300	191,045	194,864	198,760
% of population in PTBA	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%	66.1%
Service area population	86,038	88,051	90,112	92,221	94,931	97,720	100,592	103,548	106,591	108,968	111,397	113,880	116,419	119,014	121,394	123,821	126,296	128,821	131,396
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	627,667	715,333	753,000	836,000	885,667	948,667	1,006,667	1,155,667	1,291,667	1,407,917	1,534,629	1,672,746	1,823,293	1,987,389	2,166,254	2,361,217	2,573,727	2,805,362	3,057,845
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	1,883	2,146	2,259	2,508	2,657	2,846	3,020	3,467	3,875	4,224	4,604	5,018	5,470	5,962	6,499	7,084	7,721	8,416	9,174
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,356	3,716	3,793	4,113	4,421	4,686	4,967	5,265	5,581	5,916
MVET matched ('000)	1,548	1,548	1,683	1,806	2,127	2,399	2,558	2,766	3,292	3,356	3,716	3,793	4,113	4,421	4,686	4,967	5,265	5,581	5,916
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	13	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	230	365	374	292	304	363	497	925	777	694	735	725	791	791	859	967	1,127	1,352	1,600
Total non-operating revenue	3,674	4,080	4,316	4,606	5,088	5,608	6,075	7,158	7,944	8,274	9,055	9,537	10,373	11,174	12,044	13,018	14,114	15,349	16,690
Operating Revenue																			
Fares	380	352	327	341	348	351	381	401	465	488	513	538	565	593	623	654	687	721	757
Other	0	0	0	0	0	0	0	0	0	659	691	726	762	800	841	883	927	973	1,022
Total operating revenue	380	352	327	341	348	351	381	401	465	1,147	1,204	1,264	1,328	1,394	1,464	1,537	1,614	1,694	1,779
Total State and Local Revenue	4,054	4,432	4,643	4,947	5,436	5,959	6,456	7,559	8,409	9,421	10,259	10,801	11,701	12,568	13,507	14,555	15,727	17,044	18,469
Productivity Measures																			
Taxable retail sales per capita ($)	7,295	8,124	8,356	9,065	9,330	9,708	10,007	11,161	12,118	12,921	13,776	14,689	15,661	16,699	17,845	19,070	20,379	21,777	23,272
Sales tax collections per capita ($)	21.89	24.37	25.07	27.20	27.99	29.12	30.02	33.48	36.35	38.76	41.33	44.07	46.98	50.10	53.53	57.21	61.14	65.33	69.82
Available MVHT per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30.8	33.4	33.3	35.3	37.1	38.6	40.1	41.7	43.3	45.0
Operating revenue per capita ($)	4.42	4.00	3.63	3.70	3.67	3.59	3.79	3.87	4.36	10.52	10.81	11.10	11.40	11.71	12.06	12.41	12.78	13.15	13.54

Assumptions:
- Taxable retail sales are expected to grow at 9% per year for the period 1991-2000
- Farebox and other operating revenues are expected to grow at 5% per year for the period 1991-2000
- Interest income is estimated at 7.5% on reserved and unreserved cash.
- Other operating revenue includes: vanpool, special shuttles, and E&H
- This forecast includes adding the legislative and state offices shuttles in 1991.

Notes:
- Projections based on information supplied by Intercity Transit
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(In thousands of current year dollars)

Valley Transit (Walla Walla County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<------- ACTUAL		PROJECTED ------->									
County Population	47,819	48,012	48,205	48,400	48,408	48,416	48,423	48,431	48,439	48,430	48,422	48,413	48,404	48,395	48,383	48,370	48,357	48,344	48,331
% of population in PTBA	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%	85.6%
Service area population	40,933	41,098	41,264	41,430	41,437	41,444	41,450	41,457	41,464	41,456	41,449	41,441	41,434	41,426	41,415	41,404	41,393	41,382	41,371
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	229,667	235,667	254,667	256,333	233,000	238,000	238,000	262,000	302,333	314,427	327,004	340,084	353,687	367,835	382,548	397,850	413,764	430,315	447,527
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	689	707	764	769	699	714	714	786	907	943	981	1,020	1,061	1,104	1,148	1,194	1,241	1,291	1,343
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,022	1,037	972	1,008	1,083	1,148	1,217	1,290	1,368	1,450
MVET matched ('000)	611	628	628	728	755	619	764	739	901	943	981	972	1,008	1,083	1,148	1,194	1,241	1,291	1,343
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	78	56	0	0	0	1	24	49	77	107
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	52	71	127	171	135	105	111	121	109	100	100	100	100	100	100	100	100	100	100
Total non-operating revenue	1,352	1,406	1,519	1,668	1,589	1,438	1,589	1,646	1,917	1,987	2,062	2,092	2,169	2,287	2,395	2,487	2,583	2,682	2,785
Operating Revenue																			
Fares	60	67	60	58	55	53	51	73	124	130	137	144	151	158	166	174	183	192	202
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	60	67	60	58	55	53	51	73	124	130	137	144	151	158	166	174	183	192	202
Total State and Local Revenue	1,412	1,473	1,579	1,726	1,644	1,491	1,640	1,719	2,041	2,117	2,199	2,235	2,319	2,445	2,561	2,662	2,766	2,874	2,987
Productivity Measures																			
Taxable retail sales per capita ($)	5,611	5,734	6,172	6,187	5,623	5,743	5,742	6,320	7,292	7,585	7,889	8,206	8,536	8,879	9,237	9,609	9,996	10,398	10,817
Sales tax collections per capita ($)	16.83	17.20	18.51	18.56	16.87	17.23	17.23	18.96	21.87	22.75	23.67	24.62	25.61	26.64	27.71	28.83	29.99	31.20	32.45
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24.6	25.0	23.4	24.3	26.1	27.7	29.4	31.2	33.0	35.0
Operating revenue per capita ($)	1.47	1.63	1.45	1.40	1.33	1.28	1.23	1.76	2.99	3.14	3.30	3.46	3.64	3.82	4.01	4.21	4.43	4.65	4.88

Assumptions:
- Fare income is estimated to grow at 5% per year through 1991-2000
- Sales tax base is assumed to grow at 3.5% from 1991-2000, based on historical trend (1982-1990)

Notes:
- No revenue projections were provided by Valley Transit, therefore these projections are derived by the consultants on this study.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Whatcom Transportation Authority (Whatcom County PTBA)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<------ ACTUAL		PROJECTED ------>									
County Population	110,328	112,187	114,078	116,000	118,266	120,576	122,931	125,332	127,780	129,155	130,546	131,951	133,371	134,807	136,174	137,555	138,950	140,359	141,782
% of population in PTBA	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	72.1%	72.1%	72.1%	72.1%	72.1%	72.1%	72.1%	72.1%	72.1%	72.1%	72.1%
Service area population	74,929	76,192	77,476	78,781	80,320	81,889	83,488	85,119	92,104	93,095	94,097	95,110	96,134	97,169	98,154	99,149	100,155	101,170	102,196
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)		n/a	422,667	503,667	554,333	589,667	713,667	1,113,667	1,278,667	1,380,000	1,449,000	1,521,450	1,597,523	1,677,399	1,761,269	1,849,332	1,941,799	2,038,889	2,140,833
Transit sales tax rate (%)		n/a	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)		n/a	1,268	1,511	1,663	1,769	2,141	3,341	3,836	4,140	4,347	4,564	4,793	5,032	5,284	5,548	5,825	6,117	6,422
MVET																			
MVET available ('000)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,020	3,136	3,070	3,326	3,576	3,790	4,018	4,259	4,514	4,785
MVET matched ('000)		0	715	1,099	1,291	1,411	1,510	2,182	2,782	3,020	3,136	3,070	3,326	3,576	3,790	4,018	4,259	4,514	4,785
MVET lost to Transportation Fund		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0	0	0	0
Other revenues																			
Household Tax		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue		3	79	115	64	173	276	466	128	0	0	0	0	0	0	0	0	0	0
Total non-operating revenue			2,062	2,725	3,018	3,353	3,927	5,989	6,746	7,160	7,483	7,635	8,119	8,608	9,074	9,566	10,084	10,631	11,207
Operating Revenue																			
Fares		246	239	272	270	268	263	301	335	385	404	424	446	468	491	516	542	569	597
Other		0	0	0	0	0	0	0	0	6	6	6	7	7	7	7	7	8	8
Total operating revenue			239	272	270	268	263	301	335	391	410	431	452	475	498	523	549	576	605
Total State and Local Revenue			2,301	2,997	3,288	3,621	4,190	6,290	7,081	7,551	7,893	8,065	8,571	9,083	9,572	10,089	10,633	11,207	11,813
Productivity Measures																			
Taxable retail sales per capita ($)			5,455	6,393	6,902	7,201	8,548	13,084	13,883	14,824	15,399	15,997	16,618	17,263	17,944	18,652	19,388	20,153	20,948
Sales tax collections per capita ($)			16.37	19.18	20.70	21.60	25.64	39.25	41.65	44.47	46.20	47.99	49.85	51.79	53.83	55.96	58.16	60.46	62.84
Available MVET per capita ($)			n/a	n/a	n/a	n/a	n/a	n/a	n/a	32.4	33.3	32.3	34.6	36.8	38.6	40.5	42.5	44.6	46.8
Operating revenue per capita ($)			3.08	3.45	3.36	3.27	3.15	3.54	3.64	4.20	4.36	4.53	4.70	4.89	5.08	5.28	5.48	5.70	5.92

Assumptions:
- Taxable retail sales and fare income are expected to grow at 5% per year through the projection period
- Miscellaneous operating revenue is expected to grow at 3% per year thought the projection period

Notes:
- Projections based on information supplied by Whatcom Transportation Authority, 6 Year Financial Plan 1991-1996
- Update of Comprehensive Transit Development Plan is not reflected in this Six Year Financial Plan.
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

State and Local Revenue Projections
Washington State Public Transportation Study
Gannett Fleming, Inc.
September 5,1991
(in thousands of current year dollars)

Yakima Transit (City of Yakima)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
								<------ ACTUAL		PROJECTED ------->									
County Population	176,437	178,436	180,456	182,500	183,747	185,003	186,268	187,541	188,823	190,564	192,321	194,095	195,884	197,691	199,418	201,161	202,919	204,693	206,482
% of population in service area	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Service area population	49,402	49,962	50,528	51,100	51,449	51,801	52,155	52,512	52,870	53,358	53,850	54,347	54,848	55,353	55,837	56,325	56,817	57,314	57,815
Non-operating Revenue																			
Sales tax																			
Taxable retail sales ('000)	479,000	543,000	574,333	587,333	575,667	617,667	651,333	718,000	764,667	802,900	843,045	885,197	929,457	975,930	1,024,726	1,075,963	1,129,761	1,186,249	1,245,561
Transit sales tax rate (%)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Sales Tax ('000)	1,437	1,629	1,723	1,762	1,727	1,853	1,954	2,154	2,294	2,409	2,529	2,656	2,788	2,928	3,074	3,228	3,389	3,559	3,737
MVET																			
MVET available ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MVET matched ('000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MVET lost to Transportation Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other revenues																			
Household Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B&O Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other local	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other state	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other revenue	76	117	190	194	162	215	210	254	405	425	447	469	492	517	543	570	598	628	660
Total non-operating revenue	1,513	1,746	1,913	1,956	1,889	2,068	2,164	2,408	2,699	2,834	2,976	3,124	3,281	3,445	3,617	3,798	3,988	4,187	4,396
Operating Revenue																			
Fares	184	178	181	217	215	243	263	250	275	289	303	318	334	351	369	387	406	427	448
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	184	178	181	217	215	243	263	250	275	289	303	318	334	351	369	387	406	427	448
Total State and Local Revenue	1,697	1,924	2,094	2,173	2,104	2,311	2,427	2,658	2,974	3,123	3,279	3,443	3,615	3,796	3,985	4,185	4,394	4,614	4,844
Productivity Measures																			
Taxable retail sales per capita ($)	9,696	10,868	11,367	11,494	11,189	11,924	12,488	13,673	14,463	15,047	15,655	16,288	16,946	17,631	18,352	19,103	19,884	20,697	21,544
Sales tax collections per capita ($)	29.09	32.60	34.10	34.48	33.57	35.77	37.47	41.02	43.39	45.14	46.97	48.86	50.84	52.89	55.06	57.31	59.65	62.09	64.63
Available MVET per capita ($)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operating revenue per capita ($)	3.72	3.56	3.58	4.25	4.18	4.69	5.04	4.76	5.20	5.41	5.63	5.86	6.09	6.34	6.60	6.87	7.15	7.44	7.75

Assumptions:
- All categories of revenue are assumed to grow at 5% per year (rate of general inflation), which is consistent with long-term sales tax growth

Notes:
- The Yakima transit system does not prepare long-term revenue projections
- Yakima Transit is not eligible to receive MVET revenues
- Inconsistencies within revenue streams are a result different levels of detail between the historical and projected series.
- County population projections are those as published by OFM - August 1989, adjusted for actual figures from the 1990 Census

APPENDIX B

UCC
s-by-s
uucntwrk
7/22/91

ISSUE	DOT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Authorizations	Trust Fund/General Fund	Trust Fund/ General Fund split for all programs $4.4B-$5.1B $21B total	Trust Fund/ General Fund $6.5 Annually $32.4 Total
Section 3	Trust Fund based $1.4B in 91.	$1.3B in 92; $8.1B over 5 years.	Trust Fund only $1.2B-$1.6B; additional $2.5B-$1.7B (half Sec. 3, half 9B).
Allocations	40% New Starts 40% Rail Mod. 10% Bus 10% Discretionary 1/2 of amounts over 1B by section 9 formula.	40% New Starts 40% Rail Mod. 20% Bus	40% New Start ($10M discretionary set-aside; rest requires congressional authorization). 40% Rail Mod. 10% Bus ($10M Transit security set-aside); 10% Minimum State Allocation (1/3 of 1%) (but subtract previous yrs. M.T.A. funds).

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Rail Modernization	Discretionary	Rail Mod. by 3 tier formula: 10 old cities get $455M; next $70M split 50/50 old and fixed guideway 10 years old under 9(b); amounts over $525M to same under 9(b).	Rail Mod by 3 Tier formula: 11 old cities get $455M; next $70M split 50/50 old and fixed guideway under 9(b); amounts over $525M under 9(b).
New Starts	New Starts Criteria	Additional New Starts Criteria: compare highways, consider broader factors. No criteria if in severe or extreme nonattain. area, project funded under highway title, or cost less than $25M or 1/3rd of project.	Significant new approach: bill identifies some 38 projects. Only these may be funded. In '93 UMTA reports on new starts factors to Committee which then allocates funds among projects.
Federal Share	75% (but "overmatch" common).	75% 90% for ADA, CAA bus costs.	80%, unless grantee requests lower.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Highway Projects	Not eligible.	Not eligible.	Not eligible, except under minimum allocation.
New Financing Mechanisms	None	Early systems work agreements. "Contingent commitments" of 50% of uncommitted Trust Fund cash balance.	None.
Section 8 Planning Process	MPOs approval plans, projects drawn from TIP.	Current MPOs grandfathered, but redesignation required in Transportation Management Areas. MPOs prepare Transportation Strategy: identifies integrated transportation facilities, assesses 20 yr. demands, long-range strategy land use, travel demand, financial plan, etc.)	Requires MPO to develop plans and programs for development of transportation facilities. Must cover UZA and anticipated future urbanization. 200,000+ must coordinate with State and affected transit operators. Secretary to appoint Advisory Committee to report on planning results.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
		TIP must conform to approved strategy.	
		Transportation Management Areas: 250K+, nonattain. areas, others designated. Phased in over 4 years. Only MPO-approved projects may be funded, except those necessary to comply with ADA.	

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 9 Formula Program - General	General Fund based (except for 1/2 over $1B from T.F.)	$1.9B to $2.58B	$1.8B-$2.2B General Fund, $590M/yr. Trust Fund (5% for Sec. 18). Plus 9B (half of $2.5 - $1.7B).
	$1.6B gf, $0.2B tf	Annual certification with streamlined procedures.	
	Statutory formula	Incentive tier deleted.	Incentive tier remains. Less than 200,000, 10%; 200,000 + 85%.
Federal Share	80% Capital 50% Operating	80% Capital 50% Operating 90% ADA, CAA bus costs	Current law.
Rail Modernization	Rail tier distributes funds to all rail cities.	Rail tier unchanged but rail Mod. formula added under sec. 3. above. (See above.)	Rail Tier unchanged but rail Mod. formula added under section 3. (See above.)

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Operating Assistance	Statutory caps	Same as UMT Act (note also that operating assistance eligible only under General Fund, not Trust Fund).	Inflation adjustment available to all cities (not just small cities as under current law). "Materials and supplies" becomes capital maintenance item.
Highway Projects	Not eligible.	Eligible in areas over 250,000 or attainment areas if ADA projects satisfied and balanced local approach.	25% eligible for transfer in small UZAs, rural areas; additional 10% if transit needs met.
Ferry Boats		UMTA-funded ferry-boats may occasionally be operated outside of UZA for periodic maintenance.	
1990 Census		1990 Census data to extent practicable for formula programs in 1992.	

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 9, 18 Data		Update sections 9, 18 every 4 years, use interim Census data.	
University Transportation Centers	10 Centers administered by OST.	3 New Centers (same as Administration).	3 New Centers: Morgan State-mgt, research; N.J. Inst. of Tech.-transp., prod.; Arkansas-rural study center $7M UMTA $7M FHWA - - - University Institute: San Jose - Surface Transportation; Northwestern - infrastructure - - - National Committee on Surface Transportation Research.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Transfer of Facilities, Equipment	Under OMB rules, only permitted if another Federal grantor agency would assume responsibility.	Same as Administration.	Same as Administration.
Turnkey Procurement		Conditional award before Federal requirements met permitted for B.O.T. (Build Operate Transfer) Procurements allowed under which grantee can exercise option within 5 years.	Same as Senate.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Davis-Bacon Act Act	Pay prevailing wages on construction contracts of $2,000 or more.	Current law.	Current law.
16(b)(2) (E&H)	Non-profits provide special services for e&h if public bodies unable to. Cannot lease equipment to public bodies. $35M.	Allocated to States then to non-profits and coordinating public bodies. Equipment can be leased to public bodies. Meals on wheels eligible if does not affect transit services. $58-$72M.	Same as current law but $30M available for operating expenses. $30M/yr. (G.F.) $43M/yr. (T.F.) Same as Senate.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 18 Rural Program	States administer program, operating assistance unlimited. $65.3M	Same as UMT Act, but operating assistance available only from general revenues, not trust fund, which results in indirect cap, depending upon level of General Funding. $127-$164M.	Same as UMT Act, but $20M intercity bus set-aside. 5% of formula and 9B amounts.
Facilities/ Equipment Transfer		Same as Administration.	Current law.
Federal Share	80% capital 50% operating	90% ADA, CAA bus costs 80% capital 50% operating	Current law.
		Meals on wheels eligible if doesn't affect transit services.	Same as Senate.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
		Amtrak operating losses eligible in Me., S.D., OK. (50%.)	
Governor's Allocation	States administer section 18, 16(b)(2), small UZAs.	Current law.	Current law.
Highway Projects	Not eligible.	Not eligible.	25% eligible for transfer in small UZAs, rural areas; additional 10% if no unmet transit needs.
Section 20 Human Resources	Projects for human resource activities	Same as Administration.	Current law.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 22 Safety	Secretary may investigate any unsafe condition, require corrective action.	Report to Congress on transit safety. Authority to impose drug and alcohol testing of transportation safety workers, including transit, would pre-empt State, local law. Procedures similar to current DOT-wide regulation. Requires rehabilitation regulation but does not specify who pays.	Extends safety authority to Sec. 9 Program (technical).

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 23 – Project Management Oversight	1/2 of 1% of section 3, 9, 18, Stark-Harris to conduct PMO, safety, financial, audits of grantees.	Same as Administration.	Current law.
Planning & Research	Sections 6,8,10, 11,20 $45M (Section 8)	Generally same as Administration, but nothing on retaining fees or waiving critical for 25% of funds.	Essentially same as Administration but no provision on retaining fees. $150M per year fixed amount; no percentage takedown.
	$8M (sections 6, 10,11,20)	$35M at nat'l level for 6,8,10,11,20. State/local program TCRP ($11M) Planning and Research ($11M) MPOs ($52M)	

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Buy America (Highway title)	Steel, manufactured products on UMTA-funded projects must be from U.S. four exceptions: Public interest Unavailability	Current law.	Highway title adds "iron" to steel, manufactured products.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
	25% price differential Rolling stock domestic content of 50%(+), final assembly in U.S.		
Other Issues		GAO report on charter bus regulations. GAO biennial study of transit needs.	DOT Biennial Needs Survey. Creates a National Transit Institute.
Motor Fuel Taxes (Revenue title)	14 cents through 1995 (1.5 goes to Transit Account).	No revenue title in Senate bill. Senate will await House action before addressing revenue.	5 cents gas tax increase.

Estimated Increase in House Transit Reauthorization Resulting from One Cent Motor Fuel Tax Increase

Area and Program	Estimated Increase Resulting from One Cent Motor Fuel Tax Increase					
	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	Total
(Column A)	(Column B)	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)
WASHINGTON:						
BELLINGHAM, SECTION 9	105,254	101,890	98,369	94,680	97,798	497,990
BREMERTON, SECTION 9	129,255	125,124	120,800	116,271	120,098	611,548
LONGVIEW, WA PORTION, SECTION 9	103,062	99,768	96,320	92,708	95,761	487,619
OLYMPIA, SECTION 9	130,167	126,006	121,652	117,090	120,945	615,860
PORTLAND, SECTION 9 *	483,196	467,751	451,588	434,655	448,965	2,286,154
RICHLAND-KENNEWICK, SECTION 9	212,339	205,552	198,449	191,008	197,296	1,004,645
SEATTLE-EVERETT, SECTION 9	7,628,690	7,384,847	7,129,662	6,862,325	7,088,251	36,093,774
SPOKANE, SECTION 9	889,345	860,918	831,168	800,002	826,341	4,207,774
TACOMA, SECTION 9	1,314,835	1,272,808	1,228,826	1,182,749	1,221,688	6,220,906
YAKIMA, SECTION 9	187,444	181,453	175,183	168,614	174,165	886,858
WASHINGTON, RURAL, SECTION 18	458,387	443,736	428,402	412,339	425,914	2,168,777
SEATTLE-EVERETT, SEC. 3 MODERNIZATION	4,619,441	4,724,428	4,834,299	4,949,401	5,460,127	24,587,695
WASHINGTON, PLANNING AND RESEARCH	428,581	438,321	448,515	459,194	506,578	2,281,189
WASHINGTON, MINIMUM ADDITIONAL RETURN	0	0	0	0	0	0
WASHINGTON, TOTAL	16,689,996	16,432,600	16,163,231	15,881,036	16,783,926	81,950,789

* Amounts for multi-state urbanized areas over 200,000 population distributed based on population.

APPENDIX C

Projected MVET Revenue by District
Reported on an Accrual Basis
WA State Public Transportation Study
September 22, 1991

	Calendar 1991	Calendar 1992	Calendar 1993	Calendar 1994	Calendar 1995	Calendar 1996	Calendar 1997	Calendar 1998	Calendar 1999	Calendar 2000
Benton-Franklin PTBA	3,995,314	3,994,284	4,206,220	4,477,306	4,738,112	4,991,013	5,257,519	5,538,367	5,834,336	6,146,247
Chelan-Douglas PTBA	2,454,213	2,513,416	2,592,554	2,777,765	2,958,454	3,135,961	3,324,119	3,523,566	3,734,980	3,959,079
Clallam County PTBA	1,591,042	1,538,939	1,674,427	1,730,294	1,770,694	1,825,568	1,882,194	1,940,630	2,000,937	2,063,179
Cowlitz PTBA	638,876	651,478	717,552	763,176	794,544	834,986	880,910	929,360	980,475	1,034,401
Everett (city)	0	0	0	0	0	0	0	0	0	0
Grays Harbor County	1,607,824	1,551,431	1,686,546	1,761,333	1,800,986	1,854,823	1,910,323	1,967,540	2,026,532	2,087,357
Island County	837,806	877,598	903,696	977,744	1,044,232	1,106,886	1,173,299	1,243,697	1,318,319	1,397,418
Jefferson County PTBA	544,768	574,191	595,148	646,102	690,038	731,441	775,327	821,847	871,158	923,427
King County Metro	66,333,276	71,054,089	75,151,188	81,488,508	87,029,860	92,251,651	97,786,750	103,653,955	109,873,193	116,465,584
Kitsap County PTBA	4,194,455	4,368,559	4,590,539	4,960,797	5,298,139	5,616,028	5,952,989	6,310,169	6,688,779	7,090,106
Lewis County PTBA	414,639	407,027	459,995	479,956	490,792	506,058	521,815	538,080	554,869	572,200
Pacific County	373,069	364,052	406,610	431,363	449,504	472,135	495,906	520,876	547,106	574,658
Pierce County PTBA	13,895,992	14,750,427	15,455,148	16,676,106	17,810,108	18,878,715	20,011,437	21,212,124	22,484,851	23,833,942
Prosser (city)	33,900	33,900	33,900	33,900	33,900	33,900	33,900	33,900	33,900	33,900
Pullman (city)	363,187	345,201	380,314	399,429	406,220	416,723	428,400	440,423	452,803	465,553
Snohomish County PTBA	11,493,889	12,461,377	13,345,494	14,565,473	15,555,949	16,489,306	17,478,664	18,527,384	19,639,027	20,817,369
Spokane County PTBA	10,242,904	10,477,945	10,815,268	11,579,453	12,366,875	13,108,887	13,895,421	14,661,142	15,255,279	15,873,643
Thurston County PTBA	3,527,786	3,750,482	3,935,941	4,250,442	4,539,479	4,811,848	5,100,559	5,406,592	5,730,988	6,074,847
Walla Walla County PTBA	966,151	951,797	987,684	1,041,413	1,112,231	1,178,425	1,226,177	1,275,877	1,327,604	1,381,441
Whatcom County PTBA	2,977,928	3,106,358	3,184,654	3,437,707	3,671,477	3,891,766	4,125,272	4,372,788	4,635,155	4,913,265
Yakima (city)	0	0	0	0	0	0	0	0	0	0

Produced by: Gannett Fleming, Inc.
Produced for: The Legislative Transportation Committee

PUBLIC TRANSPORTATION STUDY

Task 2B.3

FEDERAL REVENUE SOURCES
ADDENDUM #1

Prepared for:

STATE of WASHINGTON

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September 5, 1991

FEDERAL REVENUE SOURCES
PUBLIC TRANSPORTATION STUDY

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Abstract - Federal Revenue Sources

The history of public transportation financing in Washington State responds to and follows changes in the Federal Program. Though the Federal Program started in the 1960's and blossomed in the 1970's it was not until the 1970's that State Legislation and funding programs began to develop. Federal operating and capital assistance provide significant levels of revenue to Washington State's transit systems. Though many systems emphasize that federal money is primarily used to fund capital expenditures, significant federal funds also provide operating assistance across the state. Responding to the Federal initiatives in the 1980's, Washington State's transit systems became aware of the unreliability and even possible elimination of federal funding. Their response was to use federal funding for capital expenditures which could be delayed or expended as they came. Operating expenses on the other hand had to be consistently available year-to-year to meet payrolls and provide service.

Washington State's transit districts thus developed an operating procedure which used local sales tax revenues matched with MVET revenues as the consistent source for operating revenue.

The smaller urban and rural areas of the state, have used Section 18 Federal money for operating and capital assistance. Section 18 has not constituted a great portion of their operating budgets due to the limited federal funds available. In most cases, the demand has been three to four times greater than the federal assistance provided and available. In other words, the State could utilize three to four times the existing level of Section 18 funding.

The reauthorization of federal highway and transit programs is presently being undertaken. This reauthorization and its outcome are vital to Washington State's public transportation programs. The program direction and dollar levels provided are significant for the direction of transit in Washington State.

The existing reauthorization bills contain significant funding level increases and it appears that regardless of what's passed, current funding levels will be maintained and even increased over the life of the authorization. Significant new funding could be made available through gas tax increases or the distribution of the unspent balance of transit funds within the highway trust fund.

I. Federal Revenue Sources

A. Introduction

This report addresses Task 2.B.3 of the Washington State Public Transportation Study. It will outline the history and tabulate the magnitude of Federal financial assistance to the State's transit districts.

As of this writing, the Federal reauthorization for national transit legislation is presently being considered in Congress. The existing program was reauthorized in 1987 and is due to expire with the end of the Federal Fiscal Year (FFY) 1991 (September 30, 1991). Though reauthorization is expected, any change in program structure or funding levels will not be known until the Congress has acted, and the President has signed the legislation. An authorization is Federal legislation that creates or redefines the structure of a program, (including any formulas and guidelines for awarding funds) and may set an upper limit on program spending. This is the case for the national transit legislation, and although it is possible that the program would not be reauthorized, and in effect end, more probably it will continue. This process thus becomes the focal point for discussion surrounding the program's future.

Part of the scope of work for this part of the Washington State Transit Study requires that forecasts of Federal revenue be produced, and that potential state policy actions be identified that responds to Federal structural or funding changes. Without final approval of the federal legislation these tasks become definitively impossible to fulfill. A general indication of program and funding direction can be discussed however, based on existing proposals known at the time of this writing. In addition, a historical review of Federal funding for transit districts in the State may provide some clue to future funding, being that most Federal programming/funding changes have been historically incremental.

B. Background of Federal Program

The history of the Federal Transit Program starts after, but for all purposes, runs parallel to, the Federal Highway program. Since the mid 1970's both the Federal Highway and Transit reauthorizations have been combined into a single "Surface Transportation Reauthorization" proposal. From its start, the Federal transit program found its impetus in urban growth and the negative aspects of a proliferating highway system.

By the late 1950's urban freeways and interstate segments had started to make suburban growth easy. They had spawned over-crowed highways, rush hour traffic, and sprawl. Some students of urban America had begun to argue that no supply of roads could address the problem, but that controlling demand through planning and using the existing system in the best and most efficient manner, was the only solution. Generally, these concerns came from those responsible for housing and planning policies. Road builders held the myopic view that more supply would eventually serve all demand, irrespective of consequence. In the early 1960's the concern for a nationally decaying urban core, led Federal housing and planning officials to focus on transportation as a tool rather than a product.

In 1960 the U.S. Secretary of Commerce (then responsible for the Federal Highway program) and the Housing and Home Finance Administration joined together to sponsor legislation that would allow highway planning funds to be used to coordinate local planning of transportation, land use and development. It was in this context that an unrelated event occurred which provided the catalyst for further Federal action. The New York Central Railroad announced its intention to abandon its West Shore commuter rail and ferry service in the New York City area. Northeast states and the affected communities began to lobby Congress for Federal mass transportation assistance to publicly operate these and other services. In response, the Congress passed the Federal Housing Act of 1961.

Included in the Housing Act of 1961, were several significant programs that affected mass transportation. Any monies that were made available in the Act for planning programs could be used to coordinate transit planning in the surrounding area. In addition, two significant sources of funding directly related to mass transit were provided. The first was a loan program for the purpose of purchasing capital items. These loans were available to purchase both facilities and equipment and were available for up to a 40 year time period at 3 percent interest rate. A maximum of $650 million dollars was available. The Federal Government was not anxious to collect these loans, and in effect later legislation forgave all loans made, converting them to outright grants.

The second program was a demonstration program established to encourage experimentation and research, for example to increase the passenger appeal of mass transportation service. Demonstrations were funded at a level "not to exceed" $25 million dollars and covered two-thirds of the cost of the total project. These were grants and not loans. A second part of this program was a planning grant initiative that funded from two-thirds to three-fourths of the cost of planning projects for a total of $75 million dollars. Of significance was that these programs were placed in the Housing and Home Finance Administration rather than in the Department of Commerce, which at that time had been the traditional transportation agency of the Federal Government. This was done because local transportation was felt to be intimately connected to urban problems, urban planning, and urban housing programs. It was not until 1966, that these programs and the highway programs contained within the Department of Commerce were joined with all other Federal transportation programs in the then newly established Federal Department of Transportation.

Starting with these initial beginnings in 1961, Federal authorizing legislation for mass transportation has occurred approximately every two to four years and has evolved and changed with both the needs of mass transit and changing federal objectives. Significant benchmarks in this evolution include the following:

- 1964: The Urban Mass Transportation Act of 1964 (UMT Act of 1964) established the Urban Mass Transportation Administration (UMTA) within the Department of Housing and Urban Development to administer a program of capital grants or loans to transit systems. (Naturally, grants quickly became more popular than loans).

The "findings and purposes" of the 1964 Act included:

SECTION 2. (a) The Congress finds--

(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more States;

(2) that the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis; and

(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

SECTION 2. (b) The purposes of this Act are--

(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with the cooperation of mass transportation companies both public and private;

(2) to encourage the planning and establishment of area wide urban mass transportation systems needed for economical and desirable urban development, with the cooperation of mass transportation companies both public and private; and

(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs. (49 U.S.C. app § 1601) (these purposes were expanded in 1970 and again in 1974)

- 1966: The Urban Mass Transportation Act of 1966 expanded funding for capital purchases and allowed funding for research, planning, and training.

- 1966: The Urban Mass Transportation Administration was moved to the newly created Department of Transportation (DOT).

- 1970: The Urban Mass Transportation Assistance Act of 1970 provided increased levels of federal funding by authorizing a $3.1 billion program of capital grants.

It was in this 1970 legislation that Congress stated that:

"The Congress finds that the rapid urbanization and the continued dispersal of population and activities within urban areas has made the ability of all citizens to move quickly and at a reasonable cost an urgent national problem; that it is imperative, if efficient, safe, and convenient transportation compatible with soundly planned urban areas is to be achieved, to continue and expand the Urban Mass Transportation Act of 1964; and the success will require a Federal commitment for the expenditure of at least $10,000,000,000 over a twelve-year period, to permit confident and continuing local planning and greater flexibility in program administration. It is the purpose of this Act to create a

partnership which permits the local community, through Federal assistance, to exercise the initiative necessary to satisfy its urban mass transportation requirements." (Public Law 91-453, October 15, 1970)

- 1973: The Federal-Aid Highway Act of 1973 increased the federally funded portion of transit capital projects from two-thirds to 80 percent and authorized expenditure of Federal-aid Urban Systems highway funds and Interstate Highway Transfers for qualifying transit projects. This was the first time that Federal Highway Legislation was passed in conjunction with Federal Transit Legislation and the first instance where highway funds could be spent for transit projects.

- 1974: the National Mass Transportation Assistance Act of 1974 increased authorizations for discretionary capital funding and created a formula grant program to allocate funding directly to urbanized areas that could be used for either operations or capital projects. Passage of this Act included intense debate over the provision of operating assistance. These funds were proportioned to urban areas across the country based on a formula that used urban population and density as factors.

- 1978: The Federal Public Transportation Act of 1978, Title III of the Surface Transportation Assistance Act of 1978 (STA Act of 1978) expanded the formula grant program and divided it into categorical programs that included operating grants for fixed guideway systems, capital grants for bus purchases, and operating grants for places outside of urbanized areas.

- 1982: The Federal Public Transportation Act of 1982, Title III of the Surface Transportation Assistance Act of 1982 (STA Act of 1982) provided that 1 cent of a 5 cent increase in the Highway Trust Fund users' fee on motor fuels would be placed into a Mass Transit Account for capital projects, increased the portion of all funding allocated through the formula grant program, and altered the formula grant program allocation formula to include transit service data as well as population data.

- 1987: The Federal Mass Transportation Act (FMTA) of 1987, Title III of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (P.L. 100-17), authorized the federal transit program through Fiscal Year 1991, increased the level of authorization for the formula and discretionary programs, and provided that a portion of the Mass Transit Account may be allocated for capital purposes on a formula basis.

Both the 1982 and the 1987 Acts, and the yearly budget appropriations for all year's from 1981 to 1990 were contested by an administration that continually proposed the elimination of Federal transit operating assistance and the reduction of Federal capital assistance. Though total funding did decrease over the decade, in general the program levels held fairly steady but still promulgated uncertainty for local transit operators over the future availability of Federal financial assistance.

C. Federal Program Structure

Transit systems receive the majority of their funding through five continuing programs which allocate funding to urbanized areas or states. These programs, identified by section number in the UMT Act of 1964, as amended, are:

1. Section 3

Section 3 is the original grant program begun in 1964 to provide capital assistance to eligible transit projects selected either by the Urban Mass Transportation Administration or earmarked in authorization or appropriation legislation by Congress. This program has become alternately known as the "discretionary funding" source in the Federal Transit Program. It is in existence today and is authorized in the present Legislation through the end of Federal fiscal year 1991. State or local public bodies and agencies make applications to the Federal Urban Mass Transportation Administration to receive these capital funds. They are not assured of their receipt and as indicated above, the decision of whether they receive funding or not is based on the discretion of either UMTA or Congress, and is limited by the total amount of available funds. Within this program Congress has seen fit in the past to separate specific categories of expenditures, and even "earmark" funds for specific projects from those categories during the Legislative process. In effect, this gives a state or local public body or agency representing the "earmarked" project priority in receiving those funds even though they must go through the application process. After earmarked funds are set aside within a program, other smaller categories within the UMTA program are funded. These categories include administration, planning, assistance to small private providers, university research programs, and so on. From the balance that is left in the Section 3 program, 40 percent of those remaining funds are reserved for "new start", high capacity transit systems and extensions, another 40 percent is set aside for existing rail modernization grants, 10 percent is set aside for major bus projects nationwide, and the remaining 10 percent is set aside as an unspecified discretionary fund in the program.

Once again, these funds can only be used for capital projects (facilities and equipment) and are matched at an existing ratio of 75 percent Federal and 25 percent state and local funds. In recent years, the Administration has urged larger local matches thus stretching Federal dollars. Most importantly, the total program is funded out of the Mass Transportation account of the Federal Highway Trust Fund. In other words, this program has been funded out of the penny gas tax first set aside in 1982. It should be noted that this is the account that has built up an increasing balance that has not been expended.

2. Section 9

The existing Section 9 Program is the relative of the original operating assistance funded under Section 5 in the 1974 Legislation (In effect Section 5 no longer exists). This program allocates operating and capital assistance on a formula basis to urbanized areas through FFY 1991. States, local governments and agencies may apply to the Federal Government for their portion of funding set aside in the Legislation. The funds flow directly to the designated recipients in urbanized areas over 200,000 in population and through the state governors for areas under 200,000 population. Those funds may be used for operations or capital projects, at local discretion, and up to a limit equal to a percentage of the sum received in 1982. Put another way, a percentage of the funds available may be used for operating assistance the remaining portion of each areas allocation may be used only for capital projects. Percentage limitations are; 80 percent for urbanized areas over 1 million population, 90 percent of the allocation for urbanized areas between the 200,000 and 1 million population limit, and 95 percent for all urbanized areas less than 200,000 population. Smaller urban areas between 50,000 and 200,000 in population have their operating assistance allocations adjusted annually for inflation.

These monies are allocated by formula as they originally were in 1974. Though these formulas have changed and evolved, they are based on transit operating data and thus the total amount varies each year because of variations in that operating data. In addition, there are subsections of this formula assistance that are designated by funding type. They include:

- Fixed guideway operations in urbanized areas over 200,000 population are allocated at 28.15 percent of the total authorization. Of that percentage each area that is qualified, receives 60 percent of their funds based on fixed guideway revenue vehicle miles operated and 40 percent fixed guideway

route miles. Larger urbanized areas over 750,000 in population that have commuter rail operations receive a minimum of 3/4 of a percent of this subsection.

- Fixed guideway operations in urbanized areas over 200,000 population also receive incentive funds which equal 1.29 percent of the total amount authorized. Their percentage of that total is based on a formula which includes fixed guideway passenger miles traveled multiplied by the number of fixed guideway passenger miles traveled per dollar of operating cost. Again, urbanized areas over three-quarters of million in population that have commuter railroad operations receive a minimum of 3/4 of a percent of this subsection.

- Bus operations in urbanized areas over 1 million in population receive a total of 39.31 percent of the total authorization. The percent that they receive of that subsection of funds is based 50 percent on bus revenue vehicle miles operated, 25 percent on their urban area population, and 25 percent on their urban area population density weighted by population.

- Bus operations in urbanized areas from 200,000 to 1 million in population receive a total of 14.25 percent of the total authorization. Each area's portion of that subsection is based 50 percent on bus revenue vehicle miles operated, 25 percent on urban area population, and 25 percent on urbanized area population density weighted by population.

- Bus operations in urbanized areas over 200,000 in population may receive an incentive grant based again on a formula. The total amount available is 5.43 percent of the authorization of Section 9. Their percentage of that subsection is based on a formula which includes the number of bus passenger vehicles miles traveled multiplied by the number of bus passenger miles traveled per dollar of operating cost.

- Mass transportation operations in urbanized areas that have a population of 200,000 or less are allocated 8.64 percent of the total authorization. Each area's part of that subsection is based upon 50 percent urbanized area population and 50 percent urbanized area population density weighted by population.

- Mass transportation operations outside of urbanized areas are allocated 2.93 percent of the total amount authorized for Section 9 in addition to the total amount authorized for small non

urbanized areas in another part of the program. This latter category includes allocations made through the Section 18 procedures described later. In addition, Congress may add additional appropriations to this subsection.

As can be seen, complicated formulas and distributions of total amounts have developed over the course of the programs specifically to address needs and changes in the program over time. Most areas and their transit systems understand these formulas and how they affect their funding levels. They actively lobby for beneficial changes.

Within this Section 9 program, operating assistance is funded up to 50 percent of operating expense, less earned revenue, which includes passenger fares, and advertising revenue up to the limit of available Federal funds. State and local operating assistance must equal or exceed the Federal operating assistance share. Capital assistance under this program is funded at 80 percent Federal and 20 percent state and local funds. These funds come from general revenues and only a portion of the mass transportation account set aside in the Highway Trust Fund.

In the Federal Mass Transportation Act of 1987 a special 9(b) subprogram was established. Basically, this new program takes any excess over 1 billion dollars collected by the Mass Transportation Account (1 cent gas tax) and distributes 1/2 of those excess funds to all recipients through the Section 9 Program but for capital purposes only. In addition, Section 18 recipients, (the non urbanized areas) received an additional 2.93 percent of this fund as well as their Section 9 allocation which they can use for either capital or operating purposes. Funds in this 9(b) program are available for four years including the year that they are apportioned after which they are lost and reapportioned via the Federal formula program.

3. Section 8: Planning and Technical Studies

These grants can go directly to transit authorities for special service or planning studies. Usually the State receives the grants which are given to MPO's to carry out on area's comprehensive planning program.

4. Section 16(b)2

This section was included first in the Urban Mass Transportation Act of 1970 to provide mass transportation to elderly and disabled persons. It continues in existence today and is authorized through present FFY

1991. Private nonprofit corporations and associations that provide service to the elderly and handicapped are eligible to receive funds for this program through the state governors and their State Departments of Transportation. However, due to restrictions in many State Constitutions (including Washington) regarding limitations of lending faith and credit, State and local public funds cannot be used to match grants for private providers. Private non-public providers must secure their match from private sources. Funds received through 16(b)2 are available for purchase of capital equipment and state administrative costs. 16(b)2 funds are allocated in the Legislation to the states by formula that is based on that states portion of the elderly and disabled population with a fixed minimal amount allocated to each state. Private nonprofit corporations and associations may use this money, matched 80 percent Federal, 20 percent state and local. These funds are made available through the Mass Transportation Account of the Highway Trust Fund.

5. Section 18

Section 18 was established in the 1978 Surface Transportation Act and provides funds for mass transportation in rural areas, those areas outside of urbanized areas. Again, this program is presently authorized through Federal fiscal year 1991 and the money is made available again through the State Government and the Governor to mass transportation providers outside of urbanized areas. Funds may be used for both operating or capital projects. These funds are authorized in the UMTA Act and distributed by formula based upon the nonurbanized area population of each state. These funds may be used to fund up to 50 percent of the net project operating costs, but only up to an amount equal to the sum of state and local operating assistance. Capital projects may be funded 80 percent Federal with a 20 percent state and local share. These funds are not provided through the Highway Trust Fund Transportation Account but rather through general revenues that are authorized in the Act. The minor subsection of this section also provides grants for research, technical assistance, training and other related support services in nonurbanized areas.

6. Interstate Transfers

This provision originally put in the Federal Highway Act of 1973 still exists and allows the substitution funding of transit projects in urban areas where nonessential interstate highway projects have been identified. Again, this is authorized through Federal fiscal year 1991 and is available for capital projects only. It may be received by any

state or local government agency. Upon application to the Federal government by a State Governor and local government agency, 50 percent of this funding is available at the discretion of the Secretary of Transportation and 50 percent in accordance with cost estimates approved administratively or earmarked by Congress. Again, specific projects may have been earmarked during the Legislative process. For these capital projects 85 percent may be funded using Federal funds and 15 percent must come from state and local sources. This program is funded out of general revenues.

7. Other Sections

There are several minor Federal programs that provide funding to transit agencies for specified purposes. Some of the more important include:

Section 6: Research, development, and demonstration projects

These grants are funded in small increments to provide for special planning or research projects. Washington State systems have received grants from this program for a variety of projects.

Section 10: Training Program

Grants under this program can go to any state, local public body or operator for training in public transportation issues. Usually, the grants are for small amounts and cover only tuition for specific training sessions.

D. Magnitude of Federal Transit Funding in Washington State

In actual dollars, what does the Federal transit program mean to Washington State and its transit systems? Present (1991) Federal Section 9 apportionments are shown on Table 1 for the State's urbanized areas. Also included are the apportionments that go to the State for smaller urban areas, Section 18 and Section 16(b)2.

As can be seen, the State of Washington was apportioned a total of $39,392,520 for FFY 1991. Breaking out the totals of funding by Federal programs; Washington received 2.3 percent of the Section 9 money, and 2 percent each for the Section 18 and Section 16(b)2 programs. Of the existing 22 transit systems, 20 have received Federal grants in the past. Only LINK (Chelan/Douglas) and Island Transit have not received Federal grants.

LINK is a new system and are only now considering applying for Federal funding. Island is also a relatively new (1987) system and also very small. No need has as yet been identified for Federal funds, though that could change in the immediate future.

Between 1980 and 1990 the remaining 20 systems were granted a total of $837,424,258 in Federal funds. This total represents all Federal funding from all transit programs for this period. Table 2 shows the total for each system and a breakdown of that total for capital, operating, and "other" uses. The capital figures are from Section 3 discretionary or Section 9 formula funds. Operating funds are from either the original Section 5 or its predecessor and existing Section 9 program or the Section 18 program. The "other" category is a combination of Section 6, 8, 10, or other small sources of assistance.

There have been four other notable Washington State recipients of Federal transit funding in the last decade. The Washington State Department of Transportation Marine Division has received $15,816,458 in capital grants between 1980 and 1990. SNO-TRAN received a total of $2,508,252 for a combination of capital, operating, and planning assistance in the same decade. Pierce County received $1,279,200 in capital assistance which was evidently used for ferry projects. Lastly, between 1980 and 1990 the City of Seattle has received a total of $8,334,129 in Federal grants. Many of Seattle's grants have been for capital assistance projects for monorail rehabilitation or reconstruction, but there have also been operating assistance and numerous planning, research, and managerial training grants (Section 6 and Section 10). The actual breakdown for the City of Seattle is as follows:

THE CITY OF SEATTLE - 1980 - 1990	
Capital	$7,354,200
Operating	$ 342,763
Section 6 (demonstrations and evaluations)	$ 543,568
Section 10 (training grants)	$ 93,598
Total	$8,334,129

TABLE 1
FEDERALLY APPOINTED TRANSIT FUNDING FOR 1991
UMTA SECTION 9 - FORMULA APPORTIONMENTS

	GENERAL FUND	TRANSIT FUND	TOTAL
UZA's - Over 1,000,000 in Population			
Seattle - Everett, WA	$ 23,149,354	$ 3,019,751	$ 26,169,085
Portland, OR - WA	$ 11,548,775	$ 1,505,884	$ 13,054,659
		(Vancouver, WA Portion	$ 1,266,302)
For UZA's 200,00 to 1,000,000 in Population			
Spokane, WA	$ 2,698,926	$ 351,838	$ 3,050,764
Tacoma, WA	$ 3,990,196	$ 520,150	$ 4,510,346
Apportioned to the State Governor for UZA's 50,000 to 200,000 in Population			
Total	$ 2,273,074	$ 296,133	$ 2,569,207
Bellingham	$ 275,786	$ 35,929	$ 311,715
Bremerton	$ 338,674	$ 44,122	$ 382,796
Longview, WA - OR	$ 270,042	$ 35,181	$ 305,223
Olympia	$ 341,062	$ 44,433	$ 385,495
Richland - Kennewick	$ 556,370	$ 72,483	$ 628,853
Yakima	$ 491,140	$ 63,985	$ 555,125
UMTA Section 18 Formula Apportionment and Rural Transit Assistance Program (RTAP) Allocation to State for non-urbanized Areas			
Section 18	RTAP (Rural Transit Assistance Program		
$1,161,669	$78,348		
UMTA Section 16(b) 2 Allocation to the State			
Washington	$586,799		
		Total for 1991	$ 39,392,520

TABLE 2
HISTORICAL FEDERAL FUNDING FOR PUBLIC TRANSPORTATION
IN THE STATE OF WASHINGTON
1980 - 1990

SYSTEM	CAPITAL	OPERATING	OTHER	TOTAL
1. Benton-Franklin PTBA (Ben Franklin Transit)	$9,219,607	-	$1,788 (Sec 10)	$9,221,395
2. Chelan-Douglas PTBA (LINK)	-	-	-	-
3. Clallam County PTBA (Clallam Transit)	$1,049,179	-	-	$1,049,179
4. Clark County PTBA (C-TRAN)	$16,417,121	$3,102,876	$3,200 (Sec 18-planning)	$19,523,197*
5. Cowlitz PTBA (CUBS)	$1,496,570	$863,648	-	$2,360,218
6. Everett (City) (Everett Transit)	$5,218,970	$7,563,197	$12,601 (Sec 10,9,& planning)	$12,794,768
7. Grays Harbor County (Grays Harbor Transp. Auth.)	$134,750	-	-	$134,750
8. Island County PTBA (Island Transit)	-	-	-	-
9. Jefferson County PTBA (Jefferson Transit Authority)	$1,142,305	$154,588	-	$1,296,893
10. King County Metro (Metro)	$520,102,864	$87,358,465	$3,476,477 (Sec 4,6,8,9&10)	$610,937,806

* Section 18 in Capital & Operating

SYSTEM	CAPITAL	OPERATING	OTHER	TOTAL
11. Kitsap County PTBA (Kitsap Transit)	$8,650,260	$1,490,601	$2,821	$10,143,682*
12. Lewis County PTBA (Twin Transit)	$456,951	$221,587	-	$678,538
13. Pacific County (Pacific Transit)	$2,257,311 (Sec 3 & 18)	$531,782	$1,775 (Sec 10)	$2,790,868
14. Pierce County PTBA (Pierce Transit)	$45,004,464	$23,538,615	$289,301 (Sec 8&10/Sec 18 Planning)	$68,832,380
15. Prosser (City) (Prosser Rural Transit)	$75,102	$123,960	-	$199,062
16. Pullman (City) (Pullman Transit)	$777,862 (Sec 18)	$254,400 (Sec 18)	-	$1,032,262
17. Snohomish County PTBA (Community Transit)	$24,400,043	$2,375,570	$866,952 (Sec 8&10/Sec 18 Planning)	$27,642,565
18. Spokane County PTBA (Spokane Transit Authority)	$31,600,115	$14,940,265	$575,118 (Sec 6 & 10)	$47,115,498*
19. Thurston County PTBA (Intercity Transit)	$10,629,776	$481,213	$6,513 (Sec 10)	$11,117,502*
20. Walla Walla County PTBA (Valley Transit)	-	$291,875	-	$291,875
21. Whatcom County PTBA (Whatcom Trans. Authority)	$2,202,329	$1,068,561	$264,982 (Sec 10 & Planning)	$3,535,872*
22. Yakima (City) (Yakima Transit)	$2,005,097	$4,720,851	-	$6,725,948
TOTAL	$682,840,676	$149,082,054	$5,501,528	$837,424,258

* Section 18 in Capital & Operating

One thing that can be deducted from these figures is that more Federal funding is used for capital purposes (even excluding the almost $200 M for the Metro bus tunnel) than is used for operating assistance, but that both funding sources are significant for Washington's systems.

The relative magnitude of these funds can be revealed in a number of ways. The next three pages contain graphs depicting these relationships. In Figure 1, you will note that local sales tax provides the largest share of total district revenues, (43 percent in 1990). MVET revenues have varied from between 20 and 25 percent over the ten year period, remaining fairly constant. Total farebox revenues have varied from the high "teens" to about 11 percent of total revenues in 1990, a slight decrease over the decade. The revenue source of focus here, Federal funds, have been the most variable source, leveling at approximately 15 percent in 1990. The great variable of Federal income is primarily due to the Section 3 discretionary grant program. Large "spikes" of funding as is evidenced in 1987 are due to one-time projects. In 1987, a significant distortion was caused by a grant of approximately $200 M for the Metro bus tunnel. It should also be noted that as shown in Figure 2, the other revenue sources continue to rise over the decade. Big fluctuations in Federal funding cause what appears to be variations in other funding sources. Lastly, Figure 3 shows that Federal operating assistance has been consistent over the decade albeit a slightly declining revenue source. Again, the Metro bus tunnel project in the late 1980's skews the Federal capital funding picture though the significance of Federal capital funding is still highly significant.

Though it appears that some individual systems emphasize the use of Federal funds for capital purposes and rely on State and local funding for operations, this cannot be identified as a universal philosophy. Many systems across Washington would be hard pressed to do without Federal operating assistance even if over the last decade its surety was patchy at best. From a close look at system plans and budgets it appears that many smaller systems are "put off" by the competition for scarce Section 18 funds and a majority of all but the biggest systems don't want to waste their time applying for Section 3 funds. The application process for Section 3 funding is complicated and exhausting, but the increased effort could provide payoffs for the State's transit riders in newer capital facilities and equipment.

E. Impediments to Receiving and Using Federal Funding

One of the questions to be answered in the Washington State Public Transportation Study is whether any impediments exist for the systems in Washington State in their ability to either receive or to use Federal funds, and whether any inhibiting factors jeopardize their qualification for such funding. This question was posed to both transit districts and the regional office of the

Figure 1

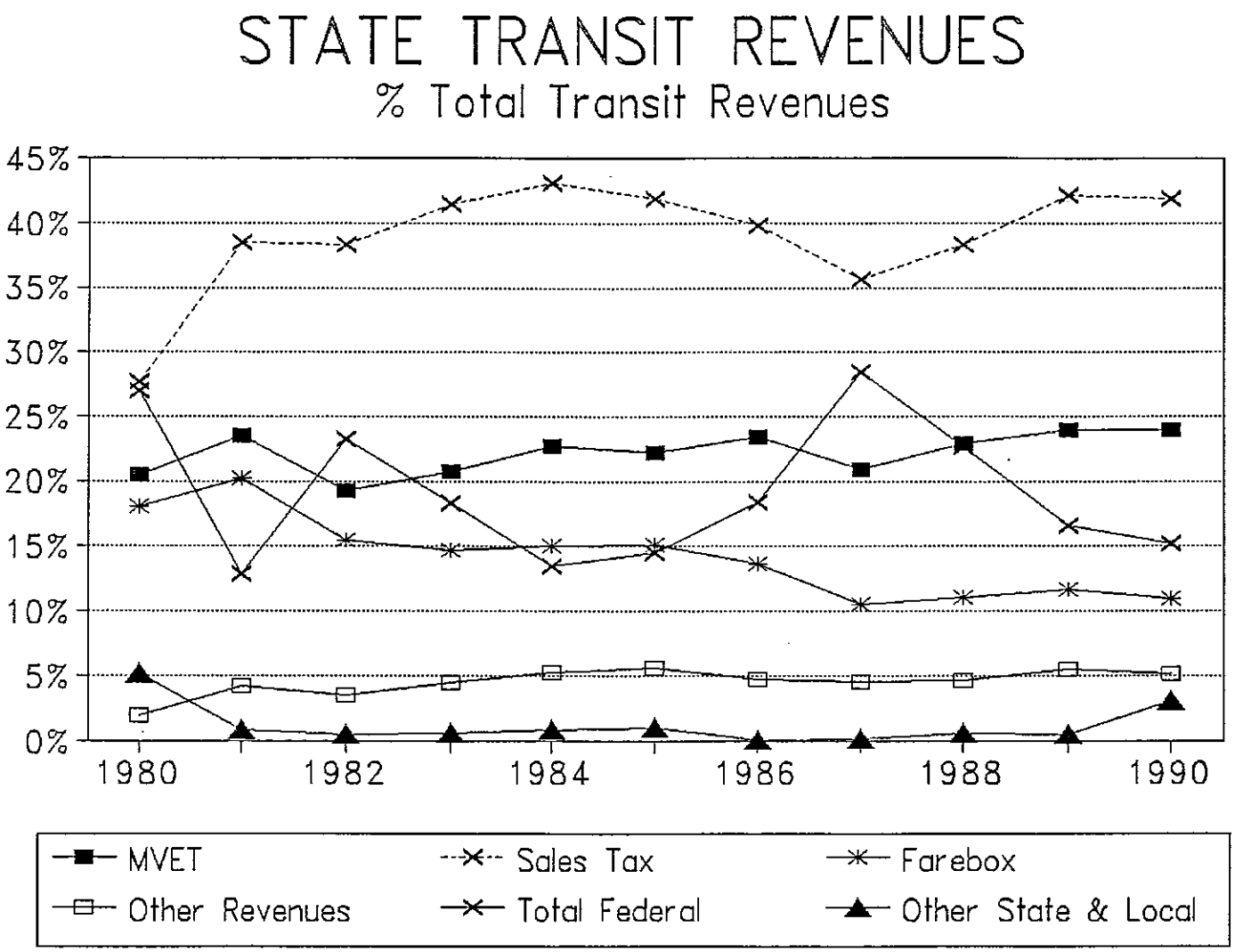

STATE TRANSIT REVENUES
% Total Transit Revenues
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
1980
1982
1984
1986
1988
1990
MVET
Sales Tax
Farebox
Other Revenues
Total Federal
Other State & Local

Figure 2

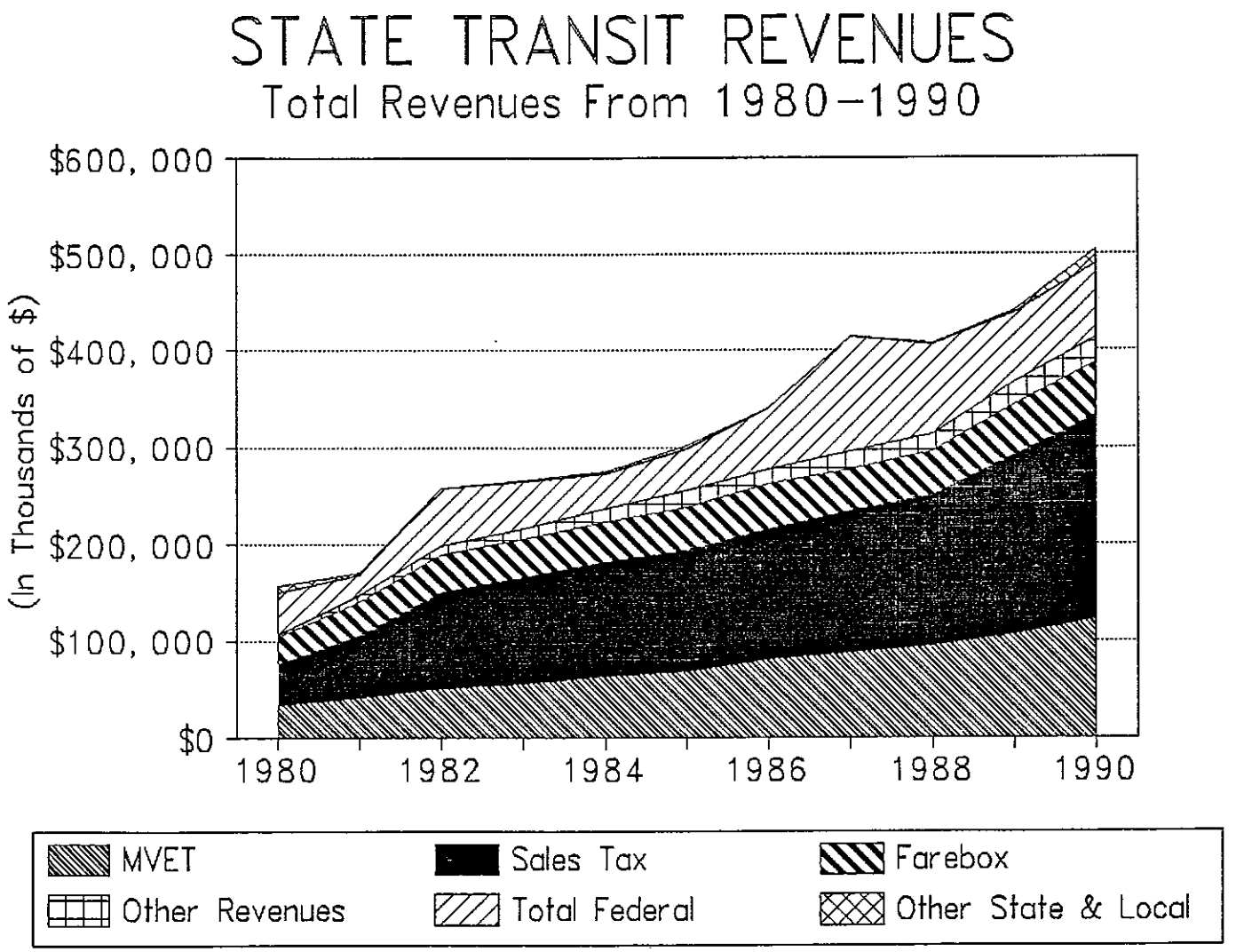
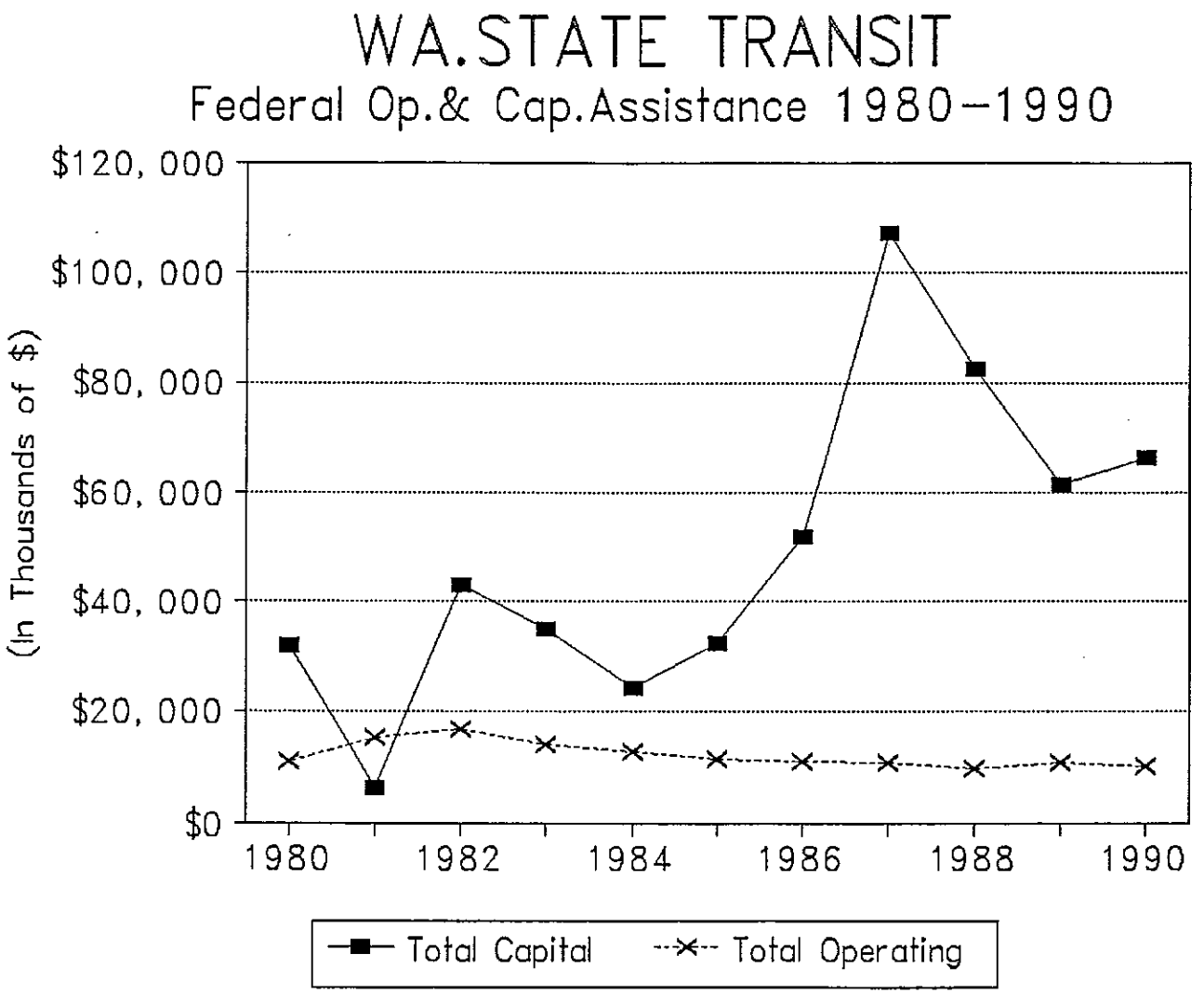

STATE TRANSIT REVENUES
Total Revenues From 1980–1990
(In Thousands of $)
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
1980
1982
1984
1986
1988
1990
MVET
Sales Tax
Farebox
Other Revenues
Total Federal
Other State & Local

Figure 3


WA.STATE TRANSIT
Federal Op.& Cap.Assistance 1980-1990
(In Thousands of $)
$120, 000
$100, 000
$80, 000
$60, 000
$40, 000
$20, 000
$0
1980
1982
1984
1986
1988
1990
Total Capital
Total Operating

Federal Urban Mass Transportation Administration. The answer is both yes and no. There are not any direct contradictions, but in a few specific areas Washington law and Federal policy could conflict and inhibit this reception or use of Federal funding. One of the most specific areas that was identified has to do with the Federal requirement for random drug testing of transit system employees. Cases have been upheld that the Washington State constitution prohibits such a drug testing program in this State. If action is not taken on one side or the other on the issue, $40 M plus in formula allocated funds and additional discretionary capital funds to the State could be in jeopardy in the future. Legislative proposals in the U.S. House of Representatives bill do contain language requiring random drug testing and indicating that this provision would supersede State law. This is an issue however, that should not be overlooked by the Washington State congressional delegation or public transportation interests in the State of Washington.

The UMTA regional office also identified two general areas of concern, that although not specifically inhibiting Washington State reception of Federal funding could have a negative effect on such funding. The first has to do with the attempt by the Washington State Department of Transportation to act as a grant recipient for smaller transit systems and non profit providers in the State, in applying for and receiving Section 3 discretionary funding. The barrier to this attempt was a Washington Attorney General's opinion which prohibits the department from acting as the certificatory for 13C labor agreements for all systems in the State. It is understandable that the State might not want to guarantee labor protection provisions over which it has no responsibility. On the other hand, because of the state's inability, a $2.5 M grant request which could have been looked upon quite favorably by the Federal Government, was not even considered. Some mechanism for the state to act as a grant recipient for smaller properties, as is done in other states, should be devised. Secondly, UMTA voiced a concern that long range strategic capital planning has suffered since self certification of the planning process by local transit authorities came into being in the early 1980's. It was the UMTA regional administrator's belief that this capital planning process needs more attention and formalization in the State of Washington.

In general, the only inhibiting factors mentioned by a few transit authorities in the State had to do with Federal requirements prohibiting direct school bus or charter operations using Federal money. As is the case across the Country, transit authorities in this State have found ways to provide those two community services within their boundaries. Though this does not appear to be an inhibiting factor, if more stringent Federal interpretations were to be pursued, it could affect future funding in the State.

Possibly the greatest inhibiting factor in getting and using Federal funds is the unsure, unstable and low level of funds presently available. In effect, systems in this State are reluctant to apply for limited Federal funds when the Federal government has already indicated that it is their intent to scrutinize such applications vigorously. Almost on an annual basis, applications for Section 18 money at the State level are three times the amount available. Smaller and medium sized properties in the State are reluctant to go through the protracted, expensive, and complicated Section 3 grant process after having been told at both the State and Federal level that the likelihood of success is marginal at best. In effect the low levels of Federal funding became an inhibiting factor.

F. Present Reauthorization Proposals

As of this writing, the reauthorization process for Federal Surface Transportation Legislation is underway and highly active. Three major proposals have been introduced, and in some cases acted upon. Most importantly, they define the probable parameters of authorization changes which the final legislative package could contain. The three major packages include; the Administration's proposal (S.610 & H.R. 1351), the Senate bill (S.1204) which passed the Senate on June 19, 1991 by a vote of 91-7 and the House bill (H.R. 2950). Most importantly the Senate and the House bills contain significant funding level increases for transit capital and operating funding. Perhaps the most important part of either piece of legislation, is that the House bill is dependent upon a five cent gas tax increase, a penny of which would go to the mass transit portion of the highway trust fund. As of this writing, that gas tax increase is in doubt and the Senate bill has no comparable revenue title. A compromise seems to be forming around a continuation of the existing 2.5¢ gas tax amount.

A prime concern of both Washington State's transit systems and the State Legislature was the question of potential state policy actions that would be needed to replace Federal, capital, and operating funds in the event that Federal participation was reduced. It is not optimistic at this time to assume that Federal funding will remain at current levels or increase over the life of this authorization. That being the case, questions regarding the quantification of negative impacts and options for replacement of Federal sources need not be addressed.

The purpose of this section will be to provide a brief overview of the pertinent funding changes in Federal Legislation and some of the important structural changes which have been proposed. Greater depth into specific minor changes in legislation would not be fruitful until that legislation is finalized, passed and signed by the President. It might do well here to note

that any legislative proposal that is forwarded to the President could be vetoed, however; given the Senate margin of passage and the interest in the House of Representatives, it appears that such a veto threat could be overturned by the Congress.

There appears to be two major reasons why Congressional action at this time would increase, rather substantially, the Federal program. First, the previous Administration sought to eliminate operating assistance and reduce the capital program, and that decade of program contraction seems to have come to an end. Not only is the present Administration more sympathetic to the idea of an increased Federal participation in mass transit, but the Congress and Country as a whole seems to be communicating that those increases are necessary. Increases now make up for reductions that have occurred over the last decade. Secondly, nationally mandated responsibilities, which have been thrust upon the transit industry, need additional funding. The two most outstanding examples are the requirements mandated by the Americans with Disabilities Act and Clean Air legislation, both passed at the Federal level. The feeling in Congress is that since these programs have been mandated Federally, they should be paid for Federally. In fact, a higher matching ratio for projects that implement these programs is included in some of the legislation to be discussed.

Elements of the Administration's proposal have been included in both the Senate and the House Bill. At this point in the Legislative process; however, a pure Administration proposal is not under consideration. That being the case, the two major departures from the existing transit program structure can be found in the Senate Bill and the House Bill. Comparing funding levels in the Administration proposal and two legislative bills is however of interest. The Administration proposal was for a total transit program of approximately $16 billion for 5 years. The Senate past bill containing both trust fund and general fund money proposes a funding level for the same 5 year period of $21 billion. The House Bill, presently being considered for the same period includes a 5 year authorization totaling $32.4 million. This is over double the administrations proposed program level!

Some of the more important programmatic and funding changes in the pieces of legislation being considered include the following:

- SECTION 3

  Present Section 3 program funded from the penny gas tax is presently at a $1.4 billion level in 1991. Both the Senate and the House Bills, over the next 5 years, would raise that program to more than $1.6 billion average per year. Both bills start at approximately the 1991

level and increase over the life of the legislation. The same categories of expenditures exist in both bills as are in the existing program, 40 percent toward new starts, 40 percent toward rail modernization, and 20 percent toward bus. Most importantly, both the Senate and the House bills eliminate the 10 percent unspecified discretionary fund that has been available for the administration within the 20 percent bus portion. Also importantly, the House bill takes that 10 percent and uses it to establish a minimum state allocation for capital assistance. Within this program, freedom of discretion is taken away from the administration. In the rail modernization category, specified "existing rail cities" get funding for their fixed guideway systems without a decision of the administration. For new starts, the Senate bill includes broader factors for funding consideration. Possibly, the most significant departure in dealing with new rail starts can be found in the House bill, which identifies a list of projects to be funded. The House bill indicates that the administration should report on the analysis of new starts included in this list to the House Public Works Committee, who would then allocate funds among those projects. One other significant and important factor is that the Administration proposed to reduce the Federal share of capital projects. In the Senate bill, the existing 75 percent and in the House bill a 80 percent Federal share is maintained. For ADA or Clean Air programs and projects, 90 percent of bus costs can be covered with Federal funds.

- SECTION 9

Present Section 9 funding is approximately $1.8 billion for fiscal year 1991. Both the Senate and House proposals start at that level but annually go to slightly more than $2.5 billion in the Senate Bill and almost $2.8 billion per year in the House Bill. Most importantly, in the House Bill, some of that money (over one-half billion dollars) comes from trust fund revenues. Also an important note, the current funding shares of 80 percent Federal money for capital and 50 percent Federal money for operating are retained. The Senate Bill contains a 90 percent Federal share for ADA or Clean Air bus costs. Both bills retain the rail modernization tier of funding in addition to having added the Section 3 set aside for rail modernization described above. One of the most important areas of agreement in both bills is that this money can be used for highway projects in UZA's of less than 200,000 under certain conditions, most notably if ADA projects are satisfied and if transit needs are met. If effect, it appears that compromise legislation will include some cross funding of both highway and transit projects from one program to the other. Returning for a moment to the operating assistance program, the House Bill also includes inflation

adjustments for all cities, (not just for small cities as under the current law) and materials and supplies presently in operating expenses becomes by redefinition a capital item.

Briefly put, these changes in the (Section 9) operating and capital program given out by formula, could increase those funds available to Washington systems by as much as 25 percent.

- Section 16(b)2 - The existing program of aid to non-profit services is funded at level of approximately $35 million a year. The administration had suggested a level of $45 million a year, the Senate bill includes a range from $58 to $72 million a year, but most importantly the House bill contains a level of $73 million a year, $30 million of which is available for operating expenses.

- Section 18 - Presently funded at a little over $65 million a year, the Senate bill would take that funding level from $127 million in the first year of the reauthorization to $164 million in the fifth year, however it limits operating assistance to funds available only from general revenues not Trust Fund revenues. This results in an indirect cap depending on the level of general revenue funding that's provided. Regardless, it appears that there could be almost three times the present level of funding within this program. An interesting facet of the House proposal in this area is that it sets aside $20 million to subsidize intercity bus travel as in the Section 9 proposal. It also allows a transfer of funds to highway needs. Both bills maintain the 80 percent federal capital share and 50 percent federal operating share, the Senate bill, however, adds a 90 percent federal share for both ADA and Clean Air bus costs. Both bills retain state administration of the both the Section 18 and Section 16(b)2.

As one can see from this brief overview, both pending bills increase funding levels, transfer responsibility in many areas to state and local governments, and reiterate the federal presence in the national mass transit program.

For further in depth explanation, there is an attached Federally prepared side-by-side comparison of the existing Urban Mass Transit Act and the Senate and House bills. In addition Table 3 shows the estimated increase in Section 9 for each of the states urbanized areas presuming the 1 cent gas tax increase for transit. The table also illustrates what would be available in the Section 18 program and the Section 3 modernization program, authorized under both pending bills.

TABLE 3

Estimated Increase in House Transit Reauthorization Resulting from One Cent Motor Fuel Tax Increase

Area and Program	Estimated Increase Resulting from One Cent Motor Fuel Tax Increase					
	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	Total
(Column A)	(Column B)	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)
WASHINGTON:						
BELLINGHAM, SECTION 9	105,254	101,890	98,369	94,680	97,798	497,990
BREMERTON, SECTION 9	129,255	125,124	120,800	116,271	120,098	611,548
LONGVIEW, WA PORTION, SECTION 9	103,062	99,768	96,320	92,708	95,761	487,619
OLYMPIA, SECTION 9	130,167	126,006	121,652	117,090	120,945	615,860
PORTLAND, SECTION 9 *	483,196	467,751	451,588	434,655	448,965	2,286,154
RICHLAND-KENNEWICK, SECTION 9	212,339	205,552	198,449	191,008	197,296	1,004,645
SEATTLE-EVERETT, SECTION 9	7,628,690	7,384,847	7,129,662	6,862,325	7,088,251	36,093,774
SPOKANE, SECTION 9	889,345	860,918	831,168	800,002	826,341	4,207,774
TACOMA, SECTION 9	1,314,835	1,272,808	1,228,826	1,182,749	1,221,688	6,220,906
YAKIMA, SECTION 9	187,444	181,453	175,183	168,614	174,165	886,858
WASHINGTON, RURAL, SECTION 18	458,387	443,736	428,402	412,339	425,914	2,168,777
SEATTLE-EVERETT, SEC. 3 MODERNIZATION	4,619,441	4,724,428	4,834,299	4,949,401	5,460,127	24,587,695
WASHINGTON, PLANNING AND RESEARCH	428,581	438,321	448,515	459,194	506,578	2,281,189
WASHINGTON, MINIMUM ADDITIONAL RETURN	0	0	0	0	0	0
WASHINGTON, TOTAL	16,689,996	16,432,600	16,163,231	15,881,036	16,783,926	81,950,789

* Amounts for multi-state urbanized areas over 200,000 population distributed based on population.

II. Conclusions

Upon review of the history of federal funding and its relation to the provision of public transportation service in Washington State, several conclusions emerge:

- Federal funding has not been the majority of funding provided in the state. Yet it does remain an important and vital contribution if public transportation programs are to continue.

- Significant capital projects, not the least of which has been the Metro bus tunnel, have been funded using federal capital assistance. A significant portion of operating revenues continue to come from the Federal Government. The federal capital dollars may provide significant portions of major high capacity transit projects in the future. It is vital that the state and its transit districts and public transportation interests pay attention to the development of the federal legislation and continue to offer input into its conclusion.

- Legislative proposals presently being considered do include continuation or enactment of gas tax allocations for mass transit. Some proposals allow for the redistribution and use of the unspent transit balances in the highway trust fund.

- Special attention should be focused on the reauthorization process in bringing it to a beneficial conclusion in relation to Washington State and its provision of public transportation service.

- The non urban and rural funding portions of the Federal Program (Section 18) have been constrained by funding availability at least over the past decade. There is evidence that service in these comparable areas of the state (small urban and rural areas) has not grown to meet the demand which presently exists. The limitation of federal funds are only part of the equation. A more formalized Section 18 application and evaluation process should be established at the state level and possibly additional sources of funding for systems of this size should be found.

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ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Authorizations	Trust Fund/General Fund	Trust Fund/ General Fund split for all programs $4.4B-$5.1B $21B total	Trust Fund/ General Fund $6.5 Annually $32.4 Total
Section 3	Trust Fund based $1.4B in 91.	$1.3B in 92; $8.1B over 5 years.	Trust Fund only $1.2B-$1.6B; additional $2.5B-$1.7B (half Sec. 3, half 9B).
Allocations	40% New Starts 40% Rail Mod. 10% Bus 10% Discretionary 1/2 of amounts over 1B by section 9 formula.	40% New Starts 40% Rail Mod. 20% Bus	40% New Start ($10M discretionary set-aside; rest requires congressional authorization). 40% Rail Mod. 10% Bus ($10M Transit security set-aside); 10% Minimum State Allocation (1/3 of 1%) (but subtract previous yrs. M.T.A. funds).

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Rail Modernization	Discretionary	Rail Mod. by 3 tier formula: 10 old cities get $455M; next $70M split 50/50 old and fixed guideway 10 years old under 9(b); amounts over $525M to same under 9(b).	Rail Mod by 3 Tier formula: 11 old cities get $455M; next $70M split 50/50 old and fixed guideway under 9(b); amounts over $525M under 9(b).
New Starts	New Starts Criteria	Additional New Starts Criteria: compare highways, consider broader factors. No criteria if in severe or extreme nonattain. area, project funded under highway title, or cost less than $25M or 1/3rd of project.	Significant new approach: bill identifies some 38 projects. Only these may be funded. In '93 UMTA reports on new starts factors to Committee which then allocates funds among projects.
Federal Share	75% (but "overmatch" common).	75% 90% for ADA, CAA bus costs.	80%, unless grantee requests lower.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Highway Projects	Not eligible.	Not eligible.	Not eligible, except under minimum allocation.
New Financing Mechanisms	None	Early systems work agreements. "Contingent commitments" of 50% of uncommitted Trust Fund cash balance.	None.
Section 8 Planning Process	MPOs approval plans, projects drawn from TIP.	Current MPOs grandfathered, but redesignation required in Transportation Management Areas. MPOs prepare Transportation Strategy: identifies integrated transportation facilities, assesses 20 yr. demands, long-range strategy land use, travel demand, financial plan, etc.)	Requires MPO to develop plans and programs for development of transportation facilities. Must cover UZA and anticipated future urbanization. 200,000+ must coordinate with State and affected transit operators. Secretary to appoint Advisory Committee to report on planning results.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
		TIP must conform to approved strategy.	
		Transportation Management Areas: 250K+, nonattain. areas, others designated. Phased in over 4 years. Only MPO-approved projects may be funded, except those necessary to comply with ADA.	

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 9 Formula Program - General	General Fund based (except for 1/2 over $1B from T.F.) $1.6B gf,$0.2B tf	$1.9B to $2.58B Annual certification with streamlined procedures.	$1.8B-$2.2B General Fund, $590M/yr. Trust Fund (5% for Sec. 18). Plus 9B (half of $2.5 - $1.7B).
	Statutory formula	Incentive tier deleted.	Incentive tier remains. Less than 200,000, 10%; 200,000 + 85%.
Federal Share	80% Capital 50% Operating	80% Capital 50% Operating 90% ADA, CAA bus costs	Current law.
Rail Modernization	Rail tier distributes funds to all rail cities.	Rail tier unchanged but rail Mod. formula added under sec. 3. above. (See above.)	Rail Tier unchanged but rail Mod. formula added under section 3. (See above.)

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Operating Assistance	Statutory caps	Same as UMT Act (note also that operating assistance eligible only under General Fund, not Trust Fund).	Inflation adjustment available to all cities (not just small cities as under current law). "Materials and supplies" becomes capital maintenance item.
Highway Projects	Not eligible.	Eligible in areas over 250,000 or attainment areas if ADA projects satisfied and balanced local approach.	25% eligible for transfer in small UZAs, rural areas; additional 10% if transit needs met.
Ferry Boats		UMTA-funded ferry-boats may occasionally be operated outside of UZA for periodic maintenance.	
1990 Census		1990 Census data to extent practicable for formula programs in 1992.	

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 9, 18 Data		Update sections 9, 18 every 4 years, use interim Census data.	
University Transportation Centers	10 Centers administered by OST.	3 New Centers (same as Administration).	3 New Centers: Morgan State-mgt, research; N.J. Inst. of Tech.-transp., prod.; Arkansas-rural study center $7M UMTA $7M FHWA - - - University Institute: San Jose - Surface Transportation; Northwestern - infrastructure - - - National Committee on Surface Transportation Research.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Transfer of Facilities, Equipment	Under OMB rules, only permitted if another Federal grantor agency would assume responsibility.	Same as Administration.	Same as Administration.
Turnkey Procurement		Conditional award before Federal requirements met permitted for B.O.T. (Build Operate Transfer) Procurements allowed under which grantee can exercise option within 5 years.	Same as Senate.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Davis-Bacon Act Act	Pay prevailing wages on construction contracts of $2,000 or more.	Current law.	Current law.
16(b)(2) (E&H)	Non-profits provide special services for e&h if public bodies unable to. Cannot lease equipment to public bodies. $35M.	Allocated to States then to non-profits and coordinating public bodies. Equipment can be leased to public bodies. Meals on wheels eligible if does not affect transit services. $58-$72M.	Same as current law but $30M available for operating expenses. $30M/yr. (G.F.) $43M/yr. (T.F.) Same as Senate.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 18 Rural Program	States administer program, operating assistance unlimited. $65.3M	Same as UMT Act, but operating assistance available only from general revenues, not trust fund, which results in indirect cap, depending upon level of General Funding. $127-$164M.	Same as UMT Act, but $20M intercity bus set-aside. 5% of formula and 9B amounts.
Facilities/ Equipment Transfer		Same as Administration.	Current law.
Federal Share	80% capital 50% operating	90% ADA, CAA bus costs 80% capital 50% operating	Current law.
		Meals on wheels eligible if doesn't affect transit services.	Same as Senate.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
		Amtrak operating losses eligible in Me., S.D., OK. (50%.)	
Governor's Allocation	States administer section 18, 16(b)(2), small UZAs.	Current law.	Current law.
Highway Projects	Not eligible.	Not eligible.	25% eligible for transfer in small UZAs, rural areas; additional 10% if no unmet transit needs.
Section 20 Human Resources	Projects for human resource activities	Same as Administration.	Current law.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 22 Safety	Secretary may investigate any unsafe condition, require corrective action.	Report to Congress on transit safety. Authority to impose drug and alcohol testing of transportation safety workers, including transit, would pre-empt State, local law. Procedures similar to current DOT-wide regulation. Requires rehabilitation regulation but does not specify who pays.	Extends safety authority to Sec. 9 Program (technical).

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Section 23 - Project Management Oversight	1/2 of 1% of section 3, 9, 18, Stark-Harris to conduct PMO, safety, financial, audits of grantees.	Same as Administration.	Current law.
Planning & Research	Sections 6,8,10, 11,20 $45M (Section 8)	Generally same as Administration, but nothing on retaining fees or waiving critical for 25% of funds.	Essentially same as Administration but no provision on retaining fees. $150M per year fixed amount; no percentage takedown.
	$8M (sections 6, 10,11,20)	$35M at nat'l level for 6,8,10,11,20. State/local program TCRP ($11M) Planning and Research ($11M) MPOs ($52M)	

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
Buy America (Highway title)	Steel, manufactured products on UMTA-funded projects must be from U.S. four exceptions: Public interest Unavailability	Current law.	Highway title adds "iron" to steel, manufactured products.

ISSUE	UMT ACT	SENATE BILL (S. 1204)	HOUSE BILL (H.R. 2950)
	25% price differential Rolling stock domestic content of 50%(+), final assembly in U.S.		
Other Issues		GAO report on charter bus regulations. GAO biennial study of transit needs.	DOT Biennial Needs Survey. Creates a National Transit Institute.
Motor Fuel Taxes (Revenue title)	14 cents through 1995 (1.5 goes to Transit Account).	No revenue title in Senate bill. Senate will await House action before addressing revenue.	5 cents gas tax increase.

PUBLIC TRANSPORTATION STUDY

Task 2B.3
ADDENDUM #2

NEW REVENUE SOURCES FOR PUBLIC TRANSPORTATION PURPOSES

Prepared for:

STATE of WASHINGTON

The Legislative Transportation Committee

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September 5, 1991

SYSTEM COSTS AND SERVICE
NEW REVENUE SOURCES

FOR PUBLIC TRANSPORTATION PURPOSES

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ABSTRACT - New Revenue Sources for Public Transportation Purposes

The 1990 Legislature passed two landmark transportation bills, ESSB 6358, the Transportation Funding Bill, and ESHB 1825, the High Capacity Transit Bill, which created a number of new revenue sources for transit agencies and for public transportation purposes. It also authorized a $.05 increase in the state motor vehicle fuel tax for highway purposes. One of the significant accomplishments of the new legislation was that it created several new funds which are not restricted to "highway purposes" under the 18th Amendment to the State Constitution. Another important accomplishment was the authorization of new local option funding mechanisms available to counties, cities, and public transit agencies.

The same Legislature also passed ESHB 2929, the Growth Management Act, which authorizes local governments to impose fees to help pay for the effects of growth. Development impact fees are one source authorized: a new real estate excise tax is another source. Both could potentially be used by local governments to participate in public transportation-related capital projects.

In general, the new revenue sources will not assist transit agencies with their operating programs, but will potentially be available to assist with capital projects such as HOV lanes, park-and-ride lots, bypass ramps, bus turnouts, signalization, and demand management and trip reduction programs. The following discussion outlines the funds available for public transportation purposes.

I. State Funds

At the state level, an overhaul of the way Motor Vehicle Excise Taxes (MVET) are calculated and distributed resulted in a loss of some direct revenues to transit agencies, but it also created several new funds which can be used for public transportation purposes, including high capacity transit, contributions to TIB projects, high occupancy lanes and related facilitates, park-and-ride lots, and TDM programs. These funds have been discussed in previous Transit Study memoranda, but are briefly summarized again below.

A. Transportation Fund

The largest of the new funds, the transportation fund is available for any transportation purpose (including highways), but is not limited by the 18th Amendment. Monies in the Transportation Fund are appropriated by the legislature as part of the biennial transportation budget process. The funding sources are a .2% MVET surcharge, transit residual MVET funds, and an additional .1% MVET transfer from the general fund. For the next 2 biennia, monies in the Transportation Fund have largely been promised by legislative agreements to meet projected shortfalls in the Department of Transportation's Category C program to expand capacity on state highways. However, changes in the project list may result from new city, county or state priorities developed through newly mandated growth management and planning priorities. Funds projected to be available in the Transportation Fund are shown in Table 1.

B. Two New Public Transportation Accounts

Within the Transportation Fund are two newly-created specialized accounts dedicated to public transportation: Central Puget Sound Public Transportation Account (CPSPTA) and Public Transportation Systems Account (PTSA). Both accounts are funded by the difference between the old level of MVET funding transit agencies were able to collect from their districts and the new, lower amount which transit districts may collect after January 1, 1993. The new public transportation accounts may be used for high capacity transit, HOV lanes and related facilities, and public transportation contributions to TIB projects. Projected funding levels in the 2 accounts are also shown in Table 1.

1. **Central Puget Sound Public Transportation Account (CPSPTA)**

   The CPSPTA contains funds which are collected in King, Pierce and Snohomish Counties. King County Metro, Pierce Transit and Community Transit may apply for the full amount of funds in the account.

2. Public Transportation System Account (PTSA)

   The PTSA contains funds which are collected in the districts of all other transit agencies. Each agency may apply for funds in the amount generated by its district.

C. High Capacity Transportation Account

Formerly known as the Rail Development Account, the new High Capacity Transportation Account receives the same level of funding as prior to the new legislation. High capacity transportation systems are defined as modes that operate primarily on exclusive rights-of-way (including exclusive busways). What is new about this account is that these funds are now available to transit agencies in King, Pierce, Snohomish, Thurston, Clark and Spokane Counties for planning, constructing and operating high capacity transportation systems, including commuter rail and feeder transportation systems. HCT Account funding provides up to an 80% state match for transit agency efforts. Projected funds available are shown in Table 1.

II. County Funds

Local governments now have a menu of new local option taxes available for funding transportation improvements. Counties, which are responsible for urban and rural county roads, have 3 new revenue options which may be used for public transportation purposes, 2 of which require voter approval and 1 of which may be authorized by the County Council or Board of Commissioners. (A fourth option, a local option fuel tax, may be used for highway purposes only.)

Counties choosing to impose local option taxes are required to coordinate programming with DOT, transit agencies and cities. Some of the options, e.g. the commercial parking tax and the employer tax are available to more than one jurisdiction. In such a case, counties, cities and transit agencies must not only coordinate programming, but must also agree on which jurisdiction shall impose the tax. This kind of joint planning effort is complex and requires a high degree of regional coordination.

A. Vehicle Registration Fee

Counties may impose up to a $15 annual vehicle registration fee on all vehicles registered in the county except trucks over 6,000 pounds. The revenue may be used for general transportation purposes, including highways, public transportation, high capacity transportation, planning and design, and other activities. To date, in July 1991, only King and Snohomish Counties have implemented this option. In King County the fee is projected to generate $16 million in fiscal year 1992; in Snohomish County $4.7 million is projected. Potential revenue for other counties are shown in Table 2.

B. MVET Surcharge

A county-level motor vehicle excise tax surcharge of 15% may be authorized with voter approval in King, Pierce and Snohomish Counties. Its revenues may be used for HOV lanes and related facilities, park-and-ride lots, and for other HOV programs. Up to 10% of the funds may be used by transit agencies for vanpooling, enforcement of HOV lane restrictions, and for programs which promote HOV use. The funds may also be used for preparing, adopting and enforcing employer trip reduction programs. Potential revenues are shown in Table 3.

C. Employer Tax

A county-level employer tax of up to $2 per employee per month may be imposed with voter approval in King, Pierce and Snohomish Counties. Like the 15% MVET surcharge, its revenues may be used for the full range of HOV facilities and programs. Employers who already participate in ride-share or other trip reduction programs must receive a credit against the tax. If both the employer tax and the MVET surcharge are imposed, the total revenue may not exceed the amount that would be generated by the MVET surcharge alone. Potential revenues are shown in Table 3.

To date, the local option MVET surcharge and the employer tax have not been implemented by any of the three counties authorized to impose them.

III. Local Funds

Cities also have new local option transportation sources that they may impose. One of those, the employer tax, is available only to operate a street utility and is thus not useful for public transportation purposes. Another option, the commercial parking tax, is potentially useful, although implementation of the tax is expected to be complex.

A. Commercial Parking Tax

Cities may impose a tax on commercial parking business in one of several ways: the tax may take the form of a tax on the parking operator it may believed directly on the customer. Proceeds may be used for roads and streets, public transportation, high capacity transportation, planning, design and other activities. This tax can be useful as a revenue source but it may also serve as a mechanism in a larger demand management strategy to encourage the use of public transportation. Issues involving the implementation of this tax are currently being worked on in a number of jurisdictions. The parking tax has not yet been implemented in any city or county.

The Washington State Transportation Center has just completed a draft of its comprehensive analysis of commercial parking tax. It includes preliminary estimates of revenue that could potentially be generated in 5 cities (Bremerton, Bellevue, Seattle, Lynnwood, and Tacoma) by 5 alternative methods of taxation and at four different tax rates. The most conservative alternatives are projected to yield annual revenues ranging from $10,000 in Bremerton to $625,000 in Bellevue to $1.2 million in Seattle.

IV. Transit Agency Funds

Six transit agencies have new revenue options which are limited to planning, constructing and operating high capacity transportation systems. Agencies authorized to impose HCT taxes are those in King, Pierce, Snohomish, Thurston, Clark and Spokane Counties. All of these new revenue measures require voter approval. Potential revenues from each source are shown in Table 4.

A. Local Option MVET .8%

Transit agencies may impose .8% local option MVET within their districts. Unlike the MVET surcharge which counties may impose, transit agencies are authorized to levy this tax directly on the base value of motor vehicle, except large trucks.

B. Sales Tax 1%

Transit agencies may also impose up to a 1% tax on retail sales within their district. One tenth of a percent of this new taxing authority may be used by the counties for criminal justice facilities, and if so used, are lost to transit agencies. In King County, the .1% for jails has been approved by voters, so this sales tax at .9% would have generated $219 million in 1991.

C. Employer Tax

Transit agencies may levy a $2 per employee per month tax on businesses. Employers already participating in trip reduction programs must receive a credit against the tax. Transit agencies must coordinate with cities and counties on the use of this revenue source which those other jurisdictions may also use.

Currently, only King County Metro is contemplating the use of these local option taxes for high capacity transportation purposes. It intends to seek voter approval for one or more of these taxes in November 1992.

V. Conclusions

Some new funds will be available for public transportation purposes, and thus available to transit agencies, in the coming years. Most of these funds are for capital, rather than operating purposes. Some funds are available, however, for demand management and trip reduction programs.

The largest pool of funds is the new created Transportation Fund which is expected to yield $140 million by the year 1999. It is available for all transportation purposes including highways, HOV facilities, and high capacity transit. The funds are subject to legislative appropriation, and given the large shortfall currently existing in WSDOT's Category C highway program, much of the money in the Transportation Fund has already been promised to this program for the foreseeable future. In the intermediate term, these funds are being eyed by local government officials as the funding base for development of a regional HOV system in the Puget Sound area. Theoretically, however, a portion of these funds will be available for transit-related projects.

Another potentially substantial source of funds is available for development of high capacity transportation systems. Other, much smaller revenue sources are available for HOV-related purposes and demand management programs. None of these funding sources, however, are directly under the control of transit agencies. All sources require either voter approval or enactment by another local government, or both. Thus while opportunities exist for transit agencies to make up future funding shortfalls from among these newly enacted options, they require significant levels of planning, coordination and cooperation with other jurisdictions, and the new revenue sources are not stable or reliable for agency planning purposes.

Table 1
New State-Level Revenue Sources Available for General Transportation Purposes

	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Transportation Fund								
From MVET Surtax	$46.7	$51.3	$56.3	$61.5	$65.8	$70.4	$75.3	$80.6
From general fund	$0.0	$0.0	$28.1	$30.7	$32.9	$35.2	$37.7	$40.3
Transit Residual	$7.2	$7.0	$9.6	$11.5	$14.4	$16.0	$17.7	$19.6
Total Transportation Fund	$53.9	$58.3	$94.0	$103.7	$113.1	$121.6	$130.7	$140.5
Central Puget Sound Public Transportation Account (CPSPTA)	$0.0	$0.0	$7.7	$8.2	$8.4	$8.7	$9.1	$9.6
Public Transportation Systems Account (PTSA)	$0.0	$0.0	$1.5	$1.5	$1.5	$1.5	$1.5	$1.6
High Capacity Transit Account	$4.4	$5.4	$5.5	$6.0	$6.6	$7.0	$7.5	$8.0

Source: Washington State Department of Transportation, Economic Analysis Unit, June 1991 Forecast of MVET Distributions

TABLE 2
POTENTIAL REVENUE FROM VEHICLE REGISTRATION FEE FY92
(For General Transportation Purposes)
(Millions)

Adams	$0.1
Asotin	$0.2
Benton	$1.1
Chelan	$0.5
Clallam	$0.5
Clark	$2.3
Columbia	$0.0
Cowlitz	$0.8
Douglas	$0.2
Ferry	$0.0
Franklin	$0.4
Garfield	$0.0
Grant	$0.5
Grays Harbor	$0.6
Island	$0.5
Jefferson	$0.2
King	$16.0
Kitsap	$1.7
Kittitas	$0.2
Klickitat	$0.1
Lewis	$0.6
Lincoln	$0.1
Mason	$0.3
Okanogan	$0.3
Pacific	$0.2
Pend Oreille	$0.1
Pierce	$5.7
San Juan	$0.1
Skagit	$0.9
Skamania	$0.1
Snohomish	$4.7
Spokane	$3.4
Stevens	$0.2
Thurston	$1.7
Wahkiakum	$0.0
Walla Walla	$0.4
Whatcom	$1.2
Whitman	$0.3
Yakima	$1.7
Total	$47.9

Source: Legislative Transportation Committee, Major Transportation Funding and Growth Management Legislation, July 1990, page A-3

TABLE 3
POTENTIAL REVENUE FROM MVET SURCHARGE
AND EMPLOYER TAX FOR 1991
(For HOV Purposes)
(Millions)

	MVET Surcharge	EMPLOYER TAX*
King	$21.9	$21.3
Pierce	$5.6	$4.4
Snohomish	$5.5	$3.4

Source: Legislative Transportation Committee, Major Transportation Funding and Growth Management Legislation, July 1990, page 35

* Estimates do not include credits to employers with ride-sharing programs.

TABLE 4
POTENTIAL REVENUE FROM NEW TRANSIT SOURCES FOR 1991
(For HCT Purposes)
(Millions)

	MVET 0.80%	EMPLOYER TAX*	SALES TAX 1%
King	$59.2	$21.3	$243.0
Pierce	$15.1	$4.4	$54.9
Snohomish	$15.0	$3.4	$50.7
Spokane	$10.5	$3.6	$34.5
Thurston	$7.0	$1.7	$20.7
Clark	$4.8	$1.4	$15.2

Source: Legislative Transportation Committee, Major Transportation Funding and Growth Management Legislation, July 1990, page 37

* Estimates do not include credits to employers with ride-sharing programs.

PUBLIC TRANSPORTATION STUDY

Task 2C

FINANCING MECHANISMS IN COMPARABLE STATES

Prepared for:

STATE of WASHINGTON

The Legislative Transportation Committee

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September 5, 1991

FINANCING MECHANISMS IN COMPARABLE STATES

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Abstract - Financing Mechanisms in Comparable States

The primary purpose of this comparison is to review other state financing mechanisms focusing on methods, sources and revenues. In addition, this review looked at innovative and creative ideas that may be potentially beneficial and relevant to the State of Washington.

This study focused on financing mechanisms used in other states deemed comparable to the State of Washington. These states include Indiana, Michigan, Minnesota, Missouri and Wisconsin. The financing mechanisms and origins of funding used in these states are as follows:

INDIANA funds transit through a Public Mass Transportation Fund using one primary source, the sales and use tax; and two minor sources including lottery revenues and rail and property taxes. The state and local shares (excluding farebox) of funding are 17 percent and 23 percent, respectively. Please see Section III of this report for further discussion and supporting data.

MICHIGAN funds transit through the State's Comprehensive Transportation Fund. Two primary revenues sources feed this fund including fuel and sales taxes, along with two minor sources including fees and other revenues (e.g., interest). The State and local funding shares are 55 percent and 13 percent, respectively.

MINNESOTA funds transit through two sources only. The first is the income tax funding transit through general fund appropriations. The second is the motor vehicle excise tax which is a sales tax earmarked for transit. The State and local funding shares are 24 percent and 42 percent, respectively.

MISSOURI is unique among the states reviewed because the State does not provide any funding for transit. The local funding share is expectedly larger than most other states at the 60 percent level.

WISCONSIN funds transit through the State's Segregated Mass Transportation Fund using two primary sources including motor fuel and registration fees, and through two less significant sources including drivers license and other fees. The State and local funding shares are 38 percent and 14 percent, respectively.

WASHINGTON funds transit indirectly through the MVET. The State and local funding shares are 22 percent and 40 percent, respectively.

When comparing the State of Washington to other "comparable" states, few similarities and numerous differences were noted. The similarities include; first, the sales tax, in some administrative form, is used in four of the five comparable states. Second, the states are all similar in providing support to, and general funding of, urban and nonurban systems. Third, ultimately the majority of state assistance, whether specifically allocated or not, goes overwhelmingly to operating as opposed to capital costs. Conversely, the vast majority of federal assistance is used for capital outlays.

The differences between Washington and the other states are far more numerous and significant. The primary differences include:

- Washington is different in that its aid is basically "indirect" as opposed to "direct" (discussed later in this report);

- Three states allocate transit assistance through large statewide funds of mostly appropriated money;

- Washington is also different because it does not specify whether funds are to be allocated to capital or operating expenses;

- The State of Washington does not provide for the use of property taxes in the support of special transit districts;

- The Washington State Constitution prohibits the lending of State or Local credit for the benefit of the private sector;

- A unique set of taxes is authorized in Washington to provide the local share of transit funding. These taxes include the business and occupation and household taxes (in lieu of using the alternative of the local sales and use tax);

- Washington does not use an income tax to provide general fund monies; and

- The unusual use of the MVET taxes to the degree that local systems receive a 22 percent (1989) share of total receipts.

Although, the primary objective of this review is to look at other state financing mechanisms. This orientation does not address the global issues of capital funding adequacy nor performance measurement (these issues are addressed elsewhere in the study report). What can be deduced from this review is that Washington is unique and handles transit financing differently from its peers, yet the state's systems appear to be accessing reasonable levels of federal, state and local funding necessary to get the job of transit done.

In total, Washington compares favorably to other states on both a national basis, and in comparison to the five selected states discussed herein. Three statistics that illustrate where Washington stands with regards to transit funding are one, total State funding, two, state transit funding on a per capita basis and three, ridership per capita. Nationally Washington ranks 11th, 9th, and 8th respectively[1]. Compared to the group of five states Washington ranks 2nd in total State funding (behind Michigan) and 1st on a per capita and ridership per capita basis.

As stated above, how the State approaches transit funding is very different when compared to other states. In Washington, local governments have been authorized to tax themselves to provide for funding. In effect the State of Washington provides assistance through "indirect" as opposed to "direct" funding. In the majority of other governments studied, states participate in the taxing, collection and distribution processes. The mechanisms used in Washington are unique. Specifically, the use of MVET at the local level is unusual. Washington's other primary and more common source is the sales tax, but is also implemented at the local level.

When considering ideas for transfer opportunities from other comparable states, only conventional techniques appeared relevant. Other than the use of sales tax, these techniques are not being utilized in Washington transit districts, and may be a logical starting point for consideration. Conventional state funding techniques requiring further attention include general fund appropriations, fuel taxes and dedicated transportation funds. It is important to note that Washington is in a minority of states with no income tax. Other states, including those studied, provide significant general fund monies to transit from this tax. In many other states property taxes also provide a major source of funding at the local level.

Innovative financing techniques are not widely used nationally, but are increasingly being considered and implemented. Popular innovative techniques include impact fees, special benefit districts (SBD), lottery funding and third party contracting. The State of Washington uses some innovative techniques in the form of impact fees used by Metro in relation to the DSTP.

It is possible that further study of alternative conventional and innovative funding sources should be considered. The supporting reasoning for study of selected sources includes the potential for public acceptance, broad based funding availability, significant user benefits and the potential for further utilization of existing mechanisms. If studied, these techniques could be analyzed in relation to capital versus operating, and urban versus nonurban funding requirements.

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[1] Financing for the future: Changing Roles for Mass Transit, Council of State Governments, 1987.

Finally, much of the capital funding for transit, both in Washington and in other states, comes from the federal government. In contrast, operating funding uniformly comes from State, local and farebox sources. Nonurban funding does not differ much from state to state. Nonurban system funding accounts for relatively small amounts of assistance in comparison to urban system funding, although the percentage of federal funding for capital expenditures is higher among nonurban systems when compared to urban operations.

I. Selection of Comparable States

The selection of states was based upon similarities in demographic, public transit and governance profiles compared with the State of Washington. The selection criteria used to select states included:

- Similar Population and Urban Characteristics;
- Equivalent Number of Similarly Sized Systems; and
- Similar Funding Profiles and Financing Mechanisms.

The identifying factors are in many cases mutually exclusive. For example, the states with a comparable number of large and small systems are usually much larger states in contrast to the State of Washington. Those states having the same population and geographic characteristics tend to have a fewer number of total overall systems and in many cases those systems are a smaller size. The fifty states' transit systems are all very different. As such, we looked for as close a match as possible, and ultimately selected states that met one or more of the selection criteria. Our process prompted selection of at least one state emphasizing each criteria as specified below.

A. Population and Urban Characteristics

One of the first comparable states selected was Minnesota. Minnesota has roughly the same population as the State of Washington, has large urban areas (Minneapolis and St. Paul) and has smaller systems also. In total, 27 primary public transit systems operate in the State of Minnesota. Another comparable State is Wisconsin. It is comparable in size to the State of Washington, and has a large urban area in Milwaukee which again is an all-bus system. In total the State has 26 primary transit systems. We also investigated Missouri as a comparable state. Although the State has only five transit districts reporting to the Urban Mass Transit Administration (UMTA), it has large systems in St. Louis and Kansas City and approximately the same population. Another similar State identified was Indiana. At approximately five and one half million people it compares favorably with the State of Washington. It also has a large city in Indianapolis. Indiana has 22 primary systems. Michigan, the last comparable State, is a somewhat larger but has urban characteristics similar to the State of Washington. Michigan has 15 primary systems. In support of the population

criteria, the 1990 U.S. Census Population Data is as follows: Indiana 5.6 million, Michigan 9.3 million, Minnesota 4.4 million, Missouri 5.1 million, Wisconsin 4.9 million and Washington 4.9 million.

B. Similarly Sized Systems

A second criteria used was to look for states with similarly sized systems. We investigated two additional states which met this criteria. In these instances, however, the states were much larger in population than Washington, including the states of Texas and Florida. (In the case of Florida, in addition to Miami, it has 18 other systems. Texas has two large all-bus systems in Dallas and Houston and has numerous smaller systems). After review, these two states were eliminated from further consideration. The number of primary and largest systems in the states are as follows:

STATE	NUMBER OF PRIMARY SYSTEMS	LARGEST SYSTEM
1. INDIANA	22	INDIANAPOLIS 248 BUSES
2. MICHIGAN	15	D-DOT 574 BUSES*
3. MINNESOTA	27	MINNEAPOLIS 948 BUSES INC. ARTICS
4. MISSOURI	5	ST. LOUIS 700 BUSES
5. WISCONSIN	26	MILWAUKEE 530 BUSES

* Combined with the regional SMART system over 931 buses are available.

Primary systems are defined by each State and include large, medium and small transit districts. Generally comparable states define the breakpoint between primary and secondary systems between population levels of 2,500 to 50,000. Other county and paratransit systems were not considered as one of the decision criteria in the basis for selection.

C. Similar Funding Profiles and Financing Mechanisms

The final factor in selecting this group of states was that they are reviewing, considering or may already use innovative transit financing mechanisms, and have a similar tax base and other demographic similarities which will provide a good comparison to the State of Washington. Examples

of such innovative financing include Special Benefits Fees (e.g., impact fees) and Private/Public financing (e.g., private ownership, donations and service contracting).

D. Selection

In total, five states were selected as comparable for further study of financing mechanisms. These states include:

- Indiana;
- Michigan;
- Minnesota;
- Missouri; and
- Wisconsin.

These states were introduced, discussed, and approved at the Transportation Study Policy Advisory Committee meeting held on March 22, 1991. This report also includes discussion of other State programs not on the above list, where other entities are using unique and/or innovative funding programs. We focused our review on the above "comparable" states, but also expanded our review where appropriate, as discussed herein.

E. Comparability to Washington

Although the group of selected states meets similar demographic and governance profiles, and adequately allows for a comparison of financing mechanisms, it presents some difficulties in comparing funding levels. As such, this review does not directly analyze State performance on a one-for-one comparison to Washington. The inability to directly compare the states is a result of numerous factors including differing agency missions, demographics, service evolution, economic and environmental constraints and needs of the public. The State of Washington is significantly different in its geographic dispersion, public demands, and historical development of its tax base.

The comparative state funding data discussed herein identifies and defines the different mechanisms but does not elaborate on the reasoning behind state differences. In brief, four key examples of relevant economic differences preventing direct funding comparisons between states (all affecting revenues sources and shares) include:

- The processes used in Washington to fund and maintain capital reserves, and account for depreciation to support future transit needs. This process increases current expenditures for the benefit of future capital purchases operations, a practice not widely utilized in other states.

- A different set of taxes used by local governments who took the lead in establishing systems, creating high levels of public expectation and support regarding service delivery.

- An estimated $500 million capital investment in the Downtown Seattle Tunnel Project (DSTP) which increased federal and local capital funding over the 1985- 1989 period.

- Recently established transit systems, and expanded service, requiring significant investment in equipment. Examples of new systems and expanded service include C-Tran, Community Transit and Pierce Transit Districts.

F. Comparable States Descriptions

There are three roles that state governments may fill with regard to transit funding. First, is "direct" assistance. The American Association of State Highway and Transportation Officials (AASHTO) defines direct assistance as revenues generated by a state-level tax, and returned to substate entities in the form of grants from the State. This form generally requires an annual or biennial appropriation by the respective state legislature.

Second, is "indirect" assistance. This assistance includes revenues generated by a state-level tax and retained at the local level for transit purposes. The states' role essentially includes collection and distribution services. This form of assistance usually is not reflected in the State budget.

Third, is state "authorization" to local entities to tax on their own behalf. A good example of this type of funding is a local property tax. Each of these roles is defined further below in relation to each comparable state emphasizing both methods and revenues. This discussion highlights operating and capital costs, urban and nonurban system mechanisms, sources of transit revenues, governance issues and elderly and handicapped funding.

1. Indiana

a. State Financing Mechanisms

The State of Indiana funds transit through a Public Mass Transportation Fund which is appropriated by the legislature. State expenditures reached $13 M in 1989 and are anticipated to reach $17 M in 1991. The State provides funds through a performance based allocation formula obtained from three sources as follows. First,

the vast majority of funds are from a dedicated portion of the States Sales and Use Tax; .76 percent of the Sales Tax is earmarked for the State's Public Mass Transportation Fund. Second, a portion of states lottery revenues are used for transit, but are not dedicated. Funds from the lottery "may be available" via appropriation, as funded at $800,000 in the current biennium for capital expenditures. Third, and far less significant, is a group of dedicated property and leasing taxes allocated to the commuter rail and electric rail services funds.

The State does not fund any specialized programs regarding elderly and handicapped, inner city bus, or rideshare programs. The State of Indiana is active in the collection and distribution of funding revenues.

b. Urban and Nonurban System Funding

The significant portion of State funding is directed to urban, as opposed to nonurban systems. State funds expended were $12.09 (93 percent) and $.91 million (7 percent), respectively for total 1989 state urban and nonurban assistance. This assistance was overwhelmingly in the form of direct aid. This aid again requires biennial appropriation by the State Legislature.

c. Capital and Operating Assistance

State funds are considered block grants and may be used for either capital or operating needs, however, the systems are using these dollars primarily in operations. Historically, no more than 5 percent of state's assistance has been used for capital needs. During our interviews with State transit personnel it was apparent that the impact on services of providing only capital financing would be significant. Some of the systems would likely be shut down and alternative sources of financing would have to be found for surviving systems including increased fares for riders.

d. State Versus Local Funding

Indiana transit systems rely on property taxes for their source of local revenue. Property tax rates vary greatly and under current State property tax controls, levies are generally capped at 5 percent annual growth rate. Transit competes with other municipal services for these dollars including fire and police protection, recreation and solid waste disposal. There is also an option to levy income taxes on a county level up to .1 percent. Statutory ceilings limit the amount of funds that can be raised via this mechanism.

Special Transit Corporations may be created in Indiana. Seven exist currently. These corporations are funded through property taxes and sometimes general obligation bonds.

Local governments are eligible to levy both income and property taxes for transit operations. Approximately 18 of these local governments use their taxing authority, but only two are using funds for transit.

e. Governance

Indiana governs operations under a biennial budget process. The budget process includes providing money to the statewide Public Mass Transportation Fund, which is appropriated during the regular session of the legislature. The State's role in transit is largely supportive as opposed to direct management oriented. The Legislature has recently discussed a negotiated farebox return, but currently has a strict hands-off policy regarding local funding.

The State allocates funds while focusing on a group of performance criteria, but does so relative to other districts in a designated peer group. A peer group review occurs for systems in large, medium, rural and demand response categories. The State does not, however, dictate criteria for any particular transit system. Formal State reporting requirements include biennial State audits, quarterly expense statements, annual operating statistics and annual federal funds application reviews.

f. Funding Data

(1) Revenue Sources (1989 Revenues)

REVENUE SOURCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
FEDERAL	28.8	39%
STATE MASS TRANSPORTATION FUND[2]	13.0	17%
LOCAL REVENUE	17.1	23%
FAREBOX AND OTHER	14.5	20%
TOTAL	$73.4	100%

SOURCE: 1989 Annual Report-Indiana Public Transportation, July 1990

(2) Urban and Nonurban Funding (1989)

AREA	AMOUNT (MILLIONS)	PERCENT OF TOTAL
URBAN	12.09	93%
NONURBAN	.91	7%
TOTAL	$13.0	100%

(3) State Capital and Operating Assistance (1989)

TYPE OF ASSISTANCE[3]	AMOUNT (MILLIONS)	PERCENT OF TOTAL
CAPITAL	.2	2%
OPERATING	12.8	98%
TOTAL	$13.0	100%

[2] The State's sales and use tax accounts for the clear majority of funds at over $12.6 million, or 97% and is supplemented by minor revenue sources including Lottery revenues and rail and property taxes.

[3] State assistance may be used for either capital or operating purposes.

2. Michigan

a. State Financing Mechanisms

The State of Michigan has a large Comprehensive Transportation Fund which serves numerous programs including transit. Both the States sales tax and the larger Michigan transportation fund (allocating money to both highways and transit) feed the Comprehensive Transportation Fund (CTF). Funds are allocated from the CTF through a rigid distribution formula established by the legislature (the major components are discussed below). Allocated funds are used for debt service, administration, inner city freight and passenger service, public transportation development and transit. Actual debt service and administrative costs are a funding priority, and then the three remaining categories are covered including 70 percent to transit; 10 percent to inner city bus, rail passengers, and freight; and 20 percent towards a public transportation development account. Please see the attached diagram on the following page which depicts the Michigan funding program.

The sources of State assistance are varied, although two sources combine to provide the vast majority of funds. These sources include dedicated portions of the State's sales and fuel taxes. A portion of the Sales Tax is dedicated by the constitution to cover transportation needs. This portion of the tax is obtained from sales of automobiles and related items (tires, parts, etc). By law, this tax accounts for 27.9 percent of 25 percent of the States Sales Tax on auto related items. The Fuel Tax is also provided by the constitution. This tax is currently 15¢/gallon, of which 10 percent is used for public transportation including rail and bus. Some other assistance is provided through fees and investment interest. These fees are also dedicated, and are essentially vehicle registration fees. Miscellaneous other dedicated sources of assistance include lapsed fund accounts and associated interest.

Michigan also funds a variety of special programs including elderly and handicapped, inner city bus and rideshare. 1987 funding was $1,750,000, $5,778,300 and $345,000, respectively for these three programs as referenced by the American Association of State Highway and Transportation Officials (AASHTO) in the 1990 Survey of State Involvement in Public

Transportation. Elderly and handicapped funding is defined as Section 16(b)2 assistance. The State provides all three types of assistance in the form of grants to differing systems.

b. Urban and Nonurban System Funding

Michigan State funds both urban and nonurban transit at significant levels. Of the total $127 M funds allocated in 1991, $103 (81 percent) and $24 (19 percent) have been directed to urban and nonurban systems, respectively. These funds were all in the form of direct aid to public transit appropriated by the legislature.

Of the funds available to transit (i.e., 70 percent factor of designated portion of the formula) the State matches both local urban capital and operating expenses. The State also matches 20 percent of capital expenses and a maximum of 40 percent of eligible operating expenses. In contrast, nonurban systems are funded at higher levels, matching 100 percent of capital, and 50 percent of eligible operating expenses.

c. Capital and Operating Assistance

State revenue assistance is used for both capital and operating assistance, as designated, and often matched, by the local transit system. Much of the available funding is used for operating assistance, but the specific amounts fluctuate from year to year depending on system needs. The impact on services of providing only capital financing would be significant.

d. State Versus Local Funding

In total, state funding accounts for the largest share (55 percent) of the public assistance transit in fiscal year 1991. Federal dollars are next with 19 percent, followed by local and farebox sources.

Many revenue sources are used at the local level for transit including general fund, fees, sales, fuel and property taxes, and non fare enterprise revenues. Local governments have been given direct taxing authority. Assistance is available through two primary sources including income and property taxes. A two percent income tax statutorily defined, may be levied in

urban areas although no transit system currently receives money through this mechanism. Special Transit Districts may also be created and use property tax for revenue support.

e. Governance

The State of Michigan's transit role is primarily one of support. Five types of support are available including technical, computer, mechanical, and accounting assistance, and lastly, guidance and support for board accountability to heighten responsibility in transit management. Farebox returns are not required although a few laws do exist governing system accessibility (e.g., 1/2 price fares for elderly and handicapped in off-peak hours). Operating statistics are also tracked at the State level but are not readily utilized.

Several formal reporting requirements are required including:

- Quarterly operating assistance reports for local bus and Section 18 agencies.
- Monthly operating assistance reports for New Service projects during the first three years.
- Annual operating assistance audits for local bus and New Services projects (fourth year and beyond).
- Contracts audits at the completion of Section 18, New Services, Specialized Services and Capital projects.

Local transit agencies and authorities are governed by local governments or local boards depending upon which state law they are created under. Operating and funding policies are therefore established at the local level. The bottom line is that the state provides funding and technical support with few policy requirements.

f. Funding Data

(1) Revenue Sources (1991 Revenues)

REVENUE SOURCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
FEDERAL	45.1	19.2 %
SALES TAX	37.3	15.9 %
FUEL TAX AND FEES	87.4	37.2 %
INTEREST	3.9	1.7 %
LOCAL REVENUE[4] (Property tax)	30.7	13.0 %
FAREBOX AND OTHER[4]	30.7	13.0 %
TOTAL	$235.1	100.0 %

SOURCE: Telephone interviews with State Transit officials and written response to Comparable State questionnaire

(3) State Urban and Nonurban Funding (1991)

AREA	AMOUNT (MILLIONS)	PERCENT OF TOTAL
URBAN	103.0	81%
NONURBAN	24.1	19%
TOTAL	$127.1[5]	100%

[4] Estimated by Michigan DOT Transit personnel, July 1991

[5] $1.6mm of State funds (total assistance less total urban and nonurban assistance) was not allocated to urban/nonurban districts

(3) State Capital and Operating Assistance (1991)

TYPE OF ASSISTANCE[6]	AMOUNT (MILLIONS)	PERCENT OF TOTAL
CAPITAL	13.3	10.3%
OPERATING	115.3	89.7%
TOTAL	$128.6	100%

3. Minnesota

a. State Financing Mechanisms

Funding for transit is provided through the Minnesota Public Transit Assistance Program. The Minnesota Department of Transportation (DOT) Office of Transit administers the program in an eighty-county geographic area located outside the seven-county Twin Cities Metropolitan Area. The Regional Transit Board (RTB) is responsible for short-term planning and funding distribution for transit services in the Metropolitan Area. As joint administrators of the program, Minnesota DOT and the RTB coordinate activities regarding public transit.

The State provides significant operating funds to transit systems. Transit funds are provided annually from two primary sources. First, is the motor vehicle excise tax. This tax is relatively new, initiated in 1983. Second, is the income tax which flows into the general fund. For systems outside the core transit area the State provides for a capital match at a 3 state to 1 local proportion. The State provides funding for the elderly and handicapped, but does not provide funding for inner city bus or rideshare programs.

b. Urban and Nonurban System Funding

The State of Minnesota provides funding to both urban and nonurban transit systems. In fiscal 1990, these funds totalled $33.8 (90.9 percent) and $3.4 (9.1 percent) million, respectively

[6] State assistance may be used for either capital or operating purposes

for a total of $37.2 million. The funds provided were in the form of direct, versus indirect aid.

c. *Capital and Operating Assistance*

Historically, significant capital assistance has not been provided to transit. Capital funds may be provided when excess money is available at the state level, however, this does not happen often. In fiscal 1990, $1.2 million or 3.2 percent of the $37.2 million total State aid was in the form of capital assistance. When allocated, capital funds are usually provided by the motor vehicle excise tax, but as stated, funds are provided on a discretionary basis by the State Department of Transportation. The level of state provided operating assistance is key to continuous long term transit operations in many districts. The impact on services if only capital financing was available would be devastating. Because the many small systems around the State rely so heavily on state operating assistance, many would likely close down.

d. *State Versus Local Funding*

The state's share of total transportation funding was about 24 percent in fiscal 1990. Local funding was approximately double that amount at 42 percent of total funding. Farebox and federal revenue sources provided 28 percent and 7 percent of revenues, respectively.

Since January 1, 1984, all transit systems in Minnesota and several in the Metropolitan Area have received State assistance through a fixed-share funding formula. This formula sets a maximum local share of the total operating cost. The percent of the total operating cost that is identified as local participation can be comprised of any combination of revenue sources, including farebox receipts, auxiliary revenues, and local tax levies. The remainder of operating cost is paid by the State, less available federal operating assistance.

The State's sales and income tax (distributed from the general fund) referenced above are distributed through a fixed-local-share funding formula. The percentage of state funding is determined by population levels. Local authorities are required to fund a fixed percentage of operating costs before State funds are available and allocated.

SYSTEMS	POPULATION	FIXED LOCAL SHARE*
NONURBAN	<25,000	35
SMALL URBAN	25,000 - 50,000	40
URBAN	50,000 - 100,000	40
LARGE URBAN	100,000	55

* Includes Farebox

Other than property tax, local governments do not have taxing authority. Special Transit Districts; of which there are six, use the property taxes to fund operations. Taxes are authorized by state statute.

e. Governance

To accomplish statutory purposes, the Minnesota's DOT Office of Transit developed the following Mission Statement:

The mission of the Office of Transit is to provide the expertise from within the Minnesota Department of Transportation to maintain the State role in the delivery of transit service in partnership with the federal government and local communities through the development of policy and programs which:

- Provide technical and financial assistance to local transit programs;
- Evaluate and improve performance of local transit systems;
- Identify service level needs;
- Establish annual contracts and management plans for the delivery of local transit services;
- Effectively utilize the state and federal investment; and
- Increase use and operation of existing transportation facilities.

The Minnesota DOT is responsible for the administration of state and federal transit assistance funds for Greater Minnesota. In addition, the DOT has statewide responsibility for the administration of the Federal Section 16(b)2 and 18 programs. Responsibilities in these areas include managing contracts for services, billing, payments, and auditing local transit systems. The Legislature also has assigned overview and financial responsibilities for light rail transit activities in the Metropolitan Area.

As stated above, the State negotiates a contract with each local district. How the local district manages its money is left up to the local government and is not formula driven.

Operating statistics are tracked at the State level including cost/mile, cost/passenger; revenue/mile; and subsidy/passenger. The State also reviews annual budgets by line item to provide ongoing support in operations management. However, the State encourages local districts to be responsible for their own operations and does not directly compare systems one to another. State reporting requirements include preawards audits, annual audit, monthly operations reports and quarterly UMTA progress reports.

f. Funding Data

(1) Revenue Sources (1990 Revenues)

REVENUE SOURCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
FEDERAL	10.4	6.6%
MVET	9.3	5.9%
INCOME TAX (General Fund)	27.9	17.8%
LOCAL REVENUE	65.5	41.8%
FAREBOX AND OTHER	43.7	27.9%
TOTAL	$156.8	100%

SOURCE: Telephone interviews with State Transit officials and written response to Comparable State questionnaire

(2) State Urban and Nonurban Funding (1990)

AREA	AMOUNT (MILLIONS)	PERCENT OF TOTAL
URBAN	33.8	90.9%
NONURBAN	3.4	9.1%
TOTAL	$32.7	100%

(3) State Capital and Operating Assistance (1990)

TYPE OF ASSISTANCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
CAPITAL	1.2	3.2%
OPERATING	36.0	96.8%
TOTAL	$37.2	100%

4. Missouri

a. State Financing Mechanisms

Although having similar geographic and demographic attributes, the State of Missouri is very different compared to other states. Missouri does not provide funding at the state level, on either a capital or operating basis. The only funding provided has been operating aid appropriated from the general fund to nonprofit companies serving the elderly and disabled.

b. Urban and Nonurban System Funding

The State of Missouri does not provide either urban or nonurban system funding.

c. Capital and Operating Assistance

Missouri does not provide any type of state funding to cover either capital or operating costs.

d. State Versus Local Funding

Significant transit revenue is sourced at the local government level, primarily through fares and sales taxes. Local taxing authority falls within two primary categories including .5 percent of sales taxes related to transportation, and on earnings taxes (varying by City). All cities are eligible to levy taxes. Twelve government entities were using taxing authorities for transit in 1987. Special transit districts may also be established and funded through property taxes and specific user fees, although no special districts exist currently.

Because state funds are generally not provided to transit, local revenue funding is substantial. For example, in fiscal year 1989 local taxes accounted for 60 percent of operating revenues. When combined with the farebox the total was a significant 85 percent of total revenues. This data directly relates to urban funding percentages. In contrast, nonurban systems receive the majority of their funding from federal dollars. In fiscal 1989, federal funds accounted for 64 percent, while local assistance and farebox revenues accounted for 26 percent and 10 percent, respectively. As stated above, the extent of any state financial assistance is limited to specialized operating assistance for the elderly and handicapped. These funds totalled $1,471,555 in 1990.

e. Governance

The State of Missouri does not actively support local transit operations.

f. *Funding Data*

(1) *Revenue Source (1989 Revenues)*

REVENUE SOURCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
FEDERAL	21.4	15%
STATE[7]	0	0%
LOCAL	80.9	60%
FAREBOX	34.7	25%
TOTAL	$137.0	100%

SOURCE: AASHTO Survey of State Involvement in Public Transportation 1990. The above table indicates the origin of all operating funds for urban and nonurban systems for fiscal year 1989. This break-down is considered representative of total federal, state and local funding shares.

(2) *State Urban and Nonurban System Funding*

See comment under 5 above.

(3) *State Capital and Operating Assistance*

See comment under 5 above.

5. Wisconsin

a. *State Financing Mechanisms*

The State of Wisconsin funds transit through the Segregated Mass Transportation Fund that provides funding for a variety of transportation programs and specifically through the state's Urban Mass Transit Operating Assistance Program. Assistance is paid to all counties, cities, villages and towns according to a statutory flat percentage of operating costs.

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[7] The State of Missouri does not fund transit

The State appropriates 38.5 percent of the operating expense of urban mass transit systems in cities over 2,500 in population. There is also direct aid given to the elderly and handicapped for specialized assistance. For budget purposes, this aid is classified as "aids to individuals and organizations."

The State generates revenues for transportation through a variety of means including: Motor Fuel Taxes, Vehicle Registration, and Drivers License Fees. Beginning in 1985, the primary revenue source of the state motor fuel tax was indexed. The reasoning at the time was to offset the effects of declining fuel consumption and the cost of inflation. There are other less significant sources of revenue (7 percent) including motor carrier and vehicle fees, aeronautical taxes, fees and fuel, railroad revenue, and investment earnings. These revenues are generally registration fees or add-ons to the fuel tax. It is important to note that these revenues support the broad based Mass Transportation Fund which is not exclusive to transit.

b. Urban and Nonurban System Funding

Like other comparable states, Wisconsin directs the majority of its funding assistance to urbanized areas. In fiscal 1990, $46.2 of $48.7 million, or 94 percent, was in the form of direct aid to urban public transit. No indirect aid is given to transit districts.

c. Capital and Operating Assistance

The state's statutory formula directs funding for operating costs, not for capital assistance. For most systems a flat 38.5 percent of the local operating expense is funded by the state. The State of Wisconsin's approach to financing transit, therefore, is to provide operating funds as opposed to capital financing. The impact on services of providing only capital financing would significantly reduce the various systems' capabilities of providing services. Significant cutbacks would likely result.

d. State Versus Local Funding

As discussed above, the State's share of transit operating costs is 38.5 percent. Local funding accounts for approximately 14 percent of costs. The combined total of farebox and state funding account for the majority of operating funds (over 75 percent in 1989).

The transportation fund directly provides for state transit funding. The fund has several revenue sources including motor fuel taxes and motor vehicle registration fees, accounting for over 90 percent of the state's transit allocation. Drivers license fees provide for another less significant portion, as do a group of other miscellaneous fees.

Local revenue is varied by source and amount. Four available options for local funding include the county sales tax (.5 percent), hotel/motel tax, add-on to the motor vehicle registration fee and a local wheel tax. The state administers these local taxes through centralized collection and distribution process. No statutory ceilings are imposed on local taxing authorities. However, no local governments are presently using these taxing authorities for transit.

Special transit districts may also be created in the state but none exist currently. Funding sources available include property taxes and the farebox. The State of Wisconsin is active in the collection and distribution of these local taxes.

e. Governance

Wisconsin's approach to transit is to uniformly treat systems in the same manner. This philosophy has resulted in the provision of an equal percentage of available operating assistance to most districts. The only existing control mechanism is indirect, and includes performance audits mandated by statute and conducted by outside independent consultants. This mechanism is used as a basis for awarding discretionary grants, beyond the operating assistance already provided.

f. *Funding Data*

(1) *Revenue Source (1989 Revenues)*

REVENUE SOURCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
FEDERAL	14.0	11%
STATE	46.2	38%
LOCAL	17.2	14%
FAREBOX	44.1	37%
TOTAL	$121.5	100%

SOURCE: AASHTO Survey of State Involvement in Public Transportation 1990. The above table indicates the origin of all operating funds for urban and nonurban systems for fiscal year 1989. This breakdown is considered representative of total federal, state and local funding shares.

(2) *State Urban and Nonurban Funding (1989)*

AREA	AMOUNT (MILLIONS)	PERCENT OF TOTAL
URBAN	43.9	95%
NONURBAN	2.3	5%
TOTAL	$46.2	100%

(3) *State Capital and Operating Assistance*

The State of Wisconsin generally provides for operating assistance only.

5. Washington

Listed below is comparative funding data for the State of Washington in a similar format used in other state data presentation.

a. Revenue Source (1989 Revenues)

REVENUE SOURCE	AMOUNT (MILLIONS)	PERCENT OF TOTAL
FEDERAL	88.2	20%
MVET	100.9	22%
SALES TAX	181.9	40%
FAREBOX AND OTHER	81.7	18%
TOTAL	452.7	100%

SOURCE: State of Washington Departments of Revenue and Transportation and the Office of State Treasurer.

G. Similarities and Differences with Washington

The discussion below focuses on the primary similarities and differences in financing mechanisms between Washington and selected comparable states. Each state is discussed separately and then overall conclusions regarding the comparisons are noted.

1. Indiana

Indiana is similar to Washington in two key respects. First, both States raise the clear majority of transit revenues through sales taxes. In Indiana, these revenues are considered the only primary source of funding. Second, State funds disbursed to transit systems may be used for capital and/or operating assistance at the discretion of the local governments.

The differences between Washington and Indiana include; in Indiana, the sales tax is a "dedicated" revenue source, lottery revenues are used for some transit funding, other local tax use is limited and restricted, and property tax revenues provide the primary source of local transit revenues.

2. Michigan

When considering both direct and indirect state assistance, Michigan provides significant funding as does the State of Washington. Both states provided in excess of $100 million to transit in fiscal 1990. Other significant similarities also exist including providing for both capital and operating funds (distinguished in Michigan) and sales tax being a major source of revenue. Michigan also has a significant fixed guideway system (DPM) which is a similarly sized project compared to the Downtown Seattle Bus Tunnel.

The differences among the states are also numerous. Michigan transit systems receive major percentage of funds through the gas tax. Funds are also allocated through a rigid and complex funding formula. The limitations on local funding are more pronounced in Michigan which include an income tax provision for districts out of urban areas, and property taxes for Special Transit Districts. Michigan's state funding share is very different with Michigan providing 55 percent of the funding versus 22 percent in Washington. Michigan is also unusually aggressive in its funding for specialized programs (e.g., elderly and handicapped).

3. Minnesota

Minnesota has few similarities with the State of Washington. The most prevalent is that the sales tax (in Minnesota in the form of MVET) is used to support transit. These funds flow through the State's general fund. Other less significant similarities include the authorization to form special transit districts, and similar urban and nonurban funding percentages. Local and federal funding shares are also similar between the states.

The differences between the states are more notable. First, the majority of Minnesota's transit funding (75 percent) is derived from the State income tax, versus the sales tax in Washington. Second, Minnesota's funding is almost entirely operating assistance. Third, except for property tax, no other local taxing capabilities have been authorized by the state. Fourth, the State allocates revenues through a unique fixed share funding formula. Fifth, the amount of funds directly provided to the elderly and handicapped is among the highest in the nation, (third in 1990 in contrast to a lower contribution in Washington, which was ranked 13th in elderly and disabled assistance).

4. Missouri

Missouri is similar to Washington in the support of transit through local revenue sources. Local assistance generates the majority of ongoing operating funds at 60 plus percent. Local sources include .5 percent general sales tax, local earnings taxes and another sales tax specifically tied to transportation. Washington is similar in the sense that significant funds are generated through local tax sources.

In contrast, the State of Missouri is strikingly different from Washington, and most other states. Missouri essentially provides no State funding to transit. This is true for all major types of funding including capital, operating, urban and nonurban revenues. The only state funds provided include operating aid from the general fund directed to non-profit companies serving the elderly and handicapped.

5. Wisconsin

The State of Wisconsin is similar to Washington in two primary ways. First, motor vehicle registration fees are used as a major revenue source. Second, governments may also generate tax revenue through local taxes, including the use of the sales tax (other local taxes are the hotel/motel room and wheel taxes). The State of Wisconsin is also similarly involved in the collection and distribution of revenue and allows the creation of special transit districts, although none currently exist.

The differences between Wisconsin and Washington are more significant. First, the Wisconsin fuel tax is the major source of revenue in Wisconsin, at 65 plus percent of State funding, compared to Washington's local sales tax at approximately 40 percent. Second, Wisconsin generally funds operating expenses only, and at a fixed percentage of 38.5 percent. Third, the State provides funding through a segregated and dedicated Transportation Fund (although it is still appropriated). Fourth, and finally, Wisconsin systems' farebox provides a higher percentage of funding; at an approximated 37 percent in 1989 versus Washington's 18 percent.

6. Overall Conclusions

When comparing the State of Washington to the combined group of comparable states, several conclusions may be developed. These overall conclusions are grouped into similarities and differences as categorized below:

a. Similarities

Similarities are basically few. First, the sales tax, in some administrative form, is used in four of the five comparable states. As in Washington, the sales tax is used somewhat flexibly; for example, Missouri uses it at the local level and Minnesota uses the tax in the form of the MVET. Second, the states are all similar in providing support to, and general funding of, urban and nonurban systems. Third, ultimately the majority of state assistance, whether specifically allocated or not, goes overwhelmingly to operating as opposed to capital costs.

b. Differences

The differences between Washington and the other states are far more numerous and significant. The primary differences are discussed below.

Washington is different in that its aid is basically "indirect" as opposed to "direct" (as defined earlier in this report). The only other comparable state providing indirect funding is Indiana, but this amount is limited in contrast to Washington. Washington's "direct" assistance is minimal and in the form of state grants to the elderly and handicapped. The only comparable state with lower direct assistance is Missouri; however, this is not a meaningful comparison because Missouri does not generally fund transit at the state level.

Several states use Statewide Transportation Funds to allocate money to transit, and in most states the money is appropriated whereas in Washington money is dedicated and a more predictable revenue source.

Washington is also unique because it does not specify whether funds are to be allocated to capital or operating expenses. Indiana again is the only comparable state which allows for totally flexible funding, although Michigan allows for some local direction depending upon whether funds are spent on capital or operating expenses based upon its matching formula. Other states that specify a direction for funds, do so for operating expenses.

Only the State of Washington does not provide for use of property taxes in the support of special transit districts. It can be argued, however, that Washington's local option household tax serves the same purpose.

The Washington State Constitution prohibits the lending of State or Local credit for the benefit of the private sector. This prohibition generally prevents all public/private enterprises from providing transit services, except those that may be funded entirely by the federal government. Other states are not as restrictive. However, most states have no formal policy nor have they promoted public/private enterprises.

A different set of taxes are permitted in Washington to provide the local share of transit funding. These taxes include the business and occupation and household taxes (in lieu of using the State's sales and use tax).

Washington does not have an income tax. In numerous other states the income tax provides general fund monies for transit.

Finally, the use of the MVET to the degree that local systems receive a 22 percent (1989) of total receipts is unusual (Washington does not fund or provide MVET by means of appropriation). MVET and registration fees in other states provided a less significant form of funding.

H. Alternative and Innovative Financing Mechanisms

1. Comparable State Financing Techniques

During our review of other state systems, it became readily apparent that there were few techniques in force or otherwise, being used for creative or innovative financing. When considering ideas for transfer opportunities into the State of Washington, only conventional techniques appeared relevant. For example, several of the comparable states use the popular fuel tax to support transit. And on the local level, property taxes uniformly support local transit. These techniques are not used to support transit in the State of Washington, and may be a logical starting point for consideration before alternative techniques are studied further.

Although comparable states are not widely utilizing "innovative" techniques, these state's DOT personnel are beginning to research the future of transportation, transit and related financing. The following discussion summarizes issues shared during our interview process.

a. Indiana

The State of Indiana has not implemented any particular innovative financing techniques. However, some districts have been somewhat innovative on their own. For example, the Southshore Rail Line has spun off its commuter operations to the Northern Indiana Commuter District and then leased back rail rights. This is a unique way of funding ongoing commuter rail operations. The State also plans to research the future of state transportation in a 1991 study.

b. Michigan

The State of Michigan is not using any particularly innovative financing techniques. Although, some attention has focused on special benefit assessment districts, nothing significant has been implemented. At present, study is focusing on cost cutting and revenue enhancement techniques (e.g., using private carriers to operate terminal facilities).

c. Minnesota

The State of Minnesota is not currently using any innovative financing. However, the state is interested in ideas to be more cost effective in its service delivery. The state is in the process of trying to interest private carriers in bidding on service delivery contracts.

d. Missouri

The State of Missouri does not provide, or use, any conventional or innovative financing.

e. Wisconsin

The State of Wisconsin has not historically implemented innovative financing mechanisms. However, the state continues to conduct studies for providing cost-effective service. Recently, the state has conducted a feasibility study for light rail to determine whether there is sufficient ridership to support development. Although the state is not yet focusing on alternative funding sources, it continues to develop long range state transportation strategy. The state is currently completing a "Metro 2020" study which includes development of a comprehensive, integrated regional transportation strategy including transit operations.

2. Alternative and Innovative Financing Techniques

a. Financing Techniques

There are dozens of ways transit funds projects and ongoing operations. Because of the competition for the use of funds, many governments have used alternative revenue sources. The Transportation Research Board classified the various financing mechanisms into six categories. These categories provide a logical means to group, define, and discuss alternative revenue sources as follows:

(1) *Transit Specific Revenues* are funds derived from transit operations including fares, service contracts for special groups, charter services, non-fare enterprise revenues and land banking.

(2) *Transportation Related Fees* are fees levied against those who have an impact on the transit system including vehicle assessments, fuel taxes, parking fees, and tolls on roads or facilities.

(3) *Non Transportation General Taxes* are popular taxes that may be used for multiple purposes including transit. Examples are property, income, sales, utilities, "sin" taxes and severance taxes.

(4) *Special Benefit Fees* focus on a property's added value due to a systems location, and include tax increment financing, special assessments, impact fees and service charges.

(5) *Private/Public Financing* include varying ownership roles, combining public and private interests. With public financing negotiated investments and donations are used. With private involvement, outright ownership, and leasing of rights or facilities may be involved.

(6) *Debt Financing and Revenue Enhancement* Transit may be publicly financed using bonds, certificates, notes, leasing and vendor financing. Revenue Enhancement and cost reduction focus on ways to manage revenues, expenses and cash, including budget indexing and cash balance management.

b. *Sources of Revenues*

The following is a representative list of potential revenue sources for transit. These sources are listed within the revenue categories defined above. For further definition of the sources (see Exhibit A).

(1) *Transit Specific Revenues*
- Fares
- Service Contracts
- Charter Services
- Enterprise Revenues
- Land Banking

(2) *Transportation Related Fees*
- Vehicle Fees
- Fuel Taxes
- Parking Revenues
- Tolls

(3) *Non Transportation General Taxes*
- Property Taxes
- Income Taxes
- Sales Taxes

- Utility Taxes
- Severance Taxes
- "Sin" Taxes
- Payroll Taxes
- Lottery

(4) *Special Benefit Fees*
- Tax Increment Financing
- Special Assessments
- Impact Fees
- Service Charges

(5) *Private/Public Financing*
- Develop Financing
- Negotiated Investments
- Donations
- Private Ownership
- Leasing or Selling Rights
- Leasing or Selling Facilities
- Contracting Services

(6) *Debt Financing and Revenue Enhancement*
- Bonds
- Trust Certificates
- Grant Anticipation Notes
- Zero Coupon Bonds
- Interest Arbitrage
- Vendor Financing
- Private Leasing
- Safe Harbor Leasing
- Budget Indexing
- Accounting System Management
- Cash Balance Management

3. Alternative Funding Examples

The following citations provide snapshots of existing situations where transit has used alternative revenue sources to finance transportation projects and operations. The format for each example includes mechanism identification, description, system and the resulting impact of mechanism implementation.

a. *Alternative:* *Beer Tax*

System: Birmingham, Alabama - Jefferson County Transit Authority (receives 1/3 of the tax received by that county)

Description: In April 1982, a beer tax was established and levied at 1.625 cents for each four fluid ounces. It is collected by the assessing county or municipal authority.

Impact: 17.8 percent of the budget is supported by this tax and used for capital expenditures.

b. *Alternative:* *Payroll Tax*

System: Tri-County Metropolitan Transportation Authority (TRI-Met), Portland, Oregon

Description: In 1970, the state's largest transit system imposed a tax on employer payrolls. In 1982, this tax was extended to earnings of the self-employed. The state collects and administers the tax and forwards revenues to the district. Taxes are paid quarterly.

Impact: In 1986 $44 million, or 65 percent, of the systems operating budget was generated.

c. *Alternative:* *Lottery Revenues*

System: Two State Transit Programs. (Pennsylvania & Arizona)

Description: In 1972, Pennsylvania authorized a statewide lottery to benefit senior citizens. 50 percent of the proceeds are appropriated annually to 2 transit systems and 2 non transit programs (8-12 percent of net proceeds actually goes to transit).

Impact: In 1985-86, transit programs for senior citizens received $106 million.

d. *Alternative:* *Transit Assessment District*

System: Rapid Transit District, Denver, Colorado

Description: In 1982, a downtown transit mall covering a 14 block area opened in the center of Denver, and is bordered by retail, office and residential development. A special assessment is charged to property owners immediately adjacent to the mall corridor. Rates are adjusted annually as needed to cover the districts budget.

Impact: $1.67 million was collected in 1984 for maintenance of the transit mall.

e. *Alternative:* *Special Benefit Assessment District (SBAD)*

System: Southern California Rapid Transit District (SCRTD)
Los Angeles, California

Description: In 1983, a SBAD was set up around planned rail transit stations, to allow assessments for construction, maintenance and operation of transit. Assessments may be levied on property owners in direct proportion to the benefit their property derives from proximity to rail.

Impact: Assessment revenues are being used to pay for and finance $130.3 million in initial construction costs.

The Los Angeles Metro Rail program set national precedents. These include:

- Securing statutory authority for acquiring land for joint development purposes and establishing benefit assessment districts; and

- Securing consensus private sector support for the system's financial program in advance of EIS approval.

f. *Alternative:* *Special Benefit Assessment District (SBAD)*

System: Miami Metromover Project, Dade County

Description: In 1983, a special assessment district was established in downtown Miami. Its initial objective was to generate $20 million toward the capital costs of building the elevated guideway system. Over 700 property owners are being assessed based upon net leasable square footage. The assessment is levied in conjunction with the county's annual property appraisal and tax collection process.

Impact: The Metromover began full operation in 1986. The district is limited to 15 years in which it will retire the $20 million in debt and the $7 million in debt service. At the time that the Phase I Miami Metromover Benefit assessment measure was formally approved, it was the first transit-related benefit assessment district supporting a regional rapid transit system in the United States. This precedent-setting project cleared the way for the later Phase II benefit assessment program of $23 million.

g. *Alternative:* *Transit Impact Fee*

System: San Francisco Municipal Railway System (MUNI)

Description: In 1981, the San Francisco City and County Board of Supervisors enacted the Transit Impact Development Fee Ordinance which authorizes the city to collect a one-time fee of $5 per square foot from owners or developers of new

downtown office space. The proceeds may be used for capital and operating costs of additional peak period public transit services (new buses, lines, and personnel). The fee is a sum per gross square foot using a formula of person trips per square foot multiplied by the current peak-period cost of that trip.

Impact: Fees are being collected from developers to fund MUNI.

II. Conclusions

Financing mechanisms used in comparable states include general fund appropriations, fuel taxes and dedicated transportation funds. In many states property taxes also provide a major source of funding at the local level. Washington's approach to transit funding is very different from that of other states. In Washington, local governments tax themselves. One of the major mechanisms used is unique, specifically in the use of MVET. The other primary and more common source of funding is the sales tax, but is also implemented at the local level.

In summary, several detailed observations support the above overall conclusions as follows:

- Although the group of comparable states meet similar demographic and governance profiles, some difficulties exist in comparisons. Specifically, the inability to directly compare the states is a result of numerous factors including differing agency missions, demographics, service evolution, economic and environmental constraints and needs of the public.

- There are few similarities noted between Washington and other comparable states. Similarities include the use of the sales tax as a funding mechanism, similar funding levels of urban and nonurban systems and the use of state assistance for operating as opposed to capital needs.

- The differences between Washington and other states are far more numerous and significant. Primary differences include:

  - State aid being "indirect" as opposed to "direct"

  - The State not specifying whether funds should be allocated to capital or operating expenses

  - The State not providing for the use of property taxes in support of special transit districts

  - Allowance of unique taxes (B&O, household) to provide the local share of funding

  - The lack of an income tax thus inhibiting providing of general fund monies

  - The State is also significantly different in it's geographic dispersion, public demands and historical development of its tax base.

FINANCING MECHANISMS IN COMPARABLE STATES

EXHIBITS

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Sources of Revenue

TRANSIT SPECIFIC REVENUES

Fares — This includes general patronage fares, discount fares, passes, peak-hours surcharges, and other fees levied directly upon the individual passenger taking the trip.

Specific Service Contracts — Contracts to provide targeted transit support to special consistencies such as school children, health and welfare clients, and others.

Charter Services — Trip-specific transit services to groups. Generally not allowed with equipment purchased in part using Federal money.

Non-fare Enterprise Revenues — Includes advertising in transit properties, leasing of air rights, and the like. Increased advertising revenues have been targeted for special treatment by recent Federal legislation, and may now be bondable if properly dedicated.

Land Banking — Involves the process of purchasing land and holdings in anticipation of future use. Substantial cost savings are possible if the land is purchased or optioned before major peripheral development; if land is purchased as it comes on the market, rather than being taken by eminent domain; or if land values are generally escalating.

Some "cost of money" recovery may then come from leasing. Large capital outlays are required, and some states may prohibit use or place a time restriction on the banking. This may be important for corridor or station development.

TRANSPORTATION RELATED FEES

Vehicle Fees — A variety of fees and taxes imposed by most states on vehicle owners as part of the vehicle registration process. Can include a graduated tax on vehicle weight or wheels, or on miles traveled. Usually considered a charge for access to system and not based on use of system. These fees provide a stable source of revenue and can be used to subsidize transit.

Sources of Revenue

Fuel Taxes	Levied by all states on fuel sales. Some local governments are authorized to impose motor fuel taxes and share in state fuel tax revenues. Are easily administered and produce substantial revenues. The so-called "Federal transit penny" is a fuel tax.
Parking Taxes	Imposed by local governments on vehicle drivers or operators. Can yield significant revenue in large urban areas. Two-fold purpose may be to generate transit subsidy, as well as to make transit economically competitive.
Tolls	Fees charged to users of a facility. Generally based on size, weight, number of axles, and distance traveled. Can produce high amounts of revenue. Can be used to subsidize transit in addition to supporting the actual facility. Example: Delaware.

<u>NON-TRANSPORTATION GENERAL TAXES</u>

Property Taxes	Levied on both real and personal property. May be imposed by states, local governments, or transportation authorities, although some states have rate limitations depending on state statutory structures. Revenues may be sensitive to changes in property values. Often politically sensitive.
Income Taxes	Include employer payroll taxes and employee income taxes. Can produce substantial revenue due to large base. Some states have authorized local option income taxes for a variety of purposes.
Sales Taxes	Imposed by most states and many local governments on general merchandise, specific services such as advertising or legal fees, and luxury items. Some portions may be diverted or dedicated to transportation. Easily administered and responsive to inflation.
Utility Taxes	Tax added to water, sewer fees, natural gas, or electricity, based on consumption. May be used to cross-subsidize transit. Tends to be stable as revenue source. Easily administered. Sometimes treated as franchise fee on utility.

Severance Taxes	Levied on removal of minerals and natural products from land or water. Can be imposed on resource-extracting industries. Often sensitive economically to changes in the value of the U.s. dollar relative to other international commodity suppliers, as well as sensitive to general industrial economic activity.
"Sin" Taxes	Taxes on beer, cigarettes, and the like. Alabama earmarks some of its beer tax for transit. New Jersey dedicates some casino gambling tax revenues for transit purposes.
Lottery	Authorized by 29 states plus the District of Columbia, although not all have one operative as yet. Pennsylvania, as an example, earmarks some of this money for public transit.

SPECIAL BENEFIT FEES

Various forms of special benefit fees are the core mechanism behind the public/private co-venture partnerships discussed extensively in this report. Unless created by voluntary contract, or by cities under broad home rule authority, almost all of these mechanisms probably require some form of authorizing state legislation.

Tax Increment Financing	Earmarked revenues from taxes on personal and real property based on increases above a fixed base attributable to transportation improvement. Can be used to secure bonds.
Special Assessments	Charges to the owners of a property that benefits from an improved transportation facility. Can be based on frontage, area, value, or a combination of factors. Can be used to support bond issues, although special legislation is usually required.
Impact Fees	Imposed on private developers to mitigate impacts of the development of local service. Can be in the form of tax on square footage. Sponsorship of a transportation program, or improvements to adjoining facilities. Can be used as a condition for obtaining site plan approval or building permit.

Service Charges Charge on properties for direct access to a transportation facility. May be assessed as a lump sum contribution to a capital item or an annual fee to cover operating costs.

PRIVATE/PUBLIC FINANCING

Developer Financing Payment of capital transportation improvement costs by private developers in return for dedicated land or air rights, or construction of specific facilities or subsidized facilities. In transit, one example might be a private complex built in conjunction with a privately financed, publicly owned transit station, possibly with joint building utilities.

May be voluntary or required by law. Many result in reduction of public expenditures but care should be taken to give equitable opportunity to all responsible developers.

Negotiated Investments Contributions by private property owners or developers to the cost of public transportation improvements in return for changes in existing zoning and building regulations, improved accessibility and customer acceptance (i.e. security agreements), or other perceived benefits. Similar to developer financing. May be the voluntary project of a downtown business organization or similar group.

Private Donations Land or capital contributions by business and private donations for improvements that have strong private interest. Donors benefit from tax deductions and access.

Private Ownership Includes sharing ownership cost between transportation agencies and private entrepreneurs, employee subsidies for transportation, or development of a private consortium with authority to finance, construct, and charge fees to provide transportation. Need not be monolithic within a community.

May include a variety of transit options addressing market niches not well suited to conventional public transit. Public policy can promote private taxis. commuter vans, charter commuter buses, and so on to be

	complementary transit providers, relieving government of potential financial obligation.
Leasing or Selling Rights	Involves the sale or lease of undeveloped land, subsurface rights, or air rights surrounding a public facility. Can generate site-specific revenue and can provide a steady, long-term cash flow.
Leasing or Selling Existing Facilities	Can be a potential revenue source or may be an opportunity for cost avoidance, although it may require capital outlays and sophisticated real estate and development skills. Amount of revenue is affected by availability and condition of facilities, as well as by characteristics of local real estate market. May require approval if facilities are funded by Federal or State sources.
Contracting Services	Involves contracting our work, management, or both to reduce costs or meet peak requirements. Allows greater flexibility in adjusting program size. Many allow for the retention of specialized management teams which might otherwise be unavailable, as in Dallas.

<u>DEBT FINANCING AND REVENUES ENHANCEMENT</u>

Bonds	Appropriate for high front-end capital expenses where a tax or fee can be pledged for debt service. Good source of obtaining large amounts of revenue quickly, although local government's authority is usually regulated by the state. Federal tax statutes, local government bond rating, type of bond (general obligation or revenue), statutory soundness, kind of revenue source, and interest rate often have a bearing on the feasibility and attractiveness of this option.
Participation Trust Certificates	Used to provide evidence of ownership to an investor who leases property back to the agency. Secured by asset and cash reserve fund. Interest to investor is tax-exempt and there is low risk.
Grant Anticipation Notes	Can be issued upon contract execution to provide working capital before receipt of government subsidies, grants, or reimbursements. interest is tax-exempt, and payment is guaranteed by municipal revenues.

	Issuance procedures to qualify for tax exemption are under consideration for change, and may involve questions of municipal cash balances. Interested parties should review the current status.
Zero Coupon Bonds	Issued by public agencies at price below face value and at a deferred unspecified interest rate. Discounting maturity value provides competitive, tax-exempt yield.
Interest Arbitrage	No long possible as a result of the 1986 Tax Code change.
Vendor Financing	Loan provided by manufacturer for value of equipment. Often used to gain competitive bidding advantage. Does not generally require specific revenue pledge, although local agencies need authority to issue.
Private Leasing	Ownership of equipment or building by a private firm that then secures a bond and leases equipment or building to agency. Lease agreement is structured so that bond proceeds pay for most of the purchase price. No significant tax advantage is offered since the 1986 Tax Code changes.
Safe Harbor Leasing	Originally authorized under the 1981 Tax Act and used extensively by New York and Los Angeles. Tightly restricted by 1986 Tax Act but still legal. May not be competitive with well-negotiated lease agreements.
Budget Indexing	Automatic adjustment and guarantee of transportation revenues to meet rising costs. Permits better long-range planning and programming and results in part of the budget being immune to inflation.
Accounting System Management	Shifting from an accrual to a cash-based financial management system. Can result in a one-time source of additional revenue and generate significant interest on cash balances.
Cash Balance Management	Investing short-term balances in Treasury bills and other financial instruments.

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Sources of Revenue

Exhibit A
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Reference: Transportation Research Board. 1985. Proceedings of the Conference on Evaluating Alternative Local Transportation Financing Techniques, TRB special Report 208, Washington DC: National Research Council. Updated and revised by CENTRANS, the Council of State Governments, 1987.

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The following were used as sources of information for this report.

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2. Robert A. Krause, Dinker I. Patel, and Brian D. Gathy. The council of State Governments. December 1987. Financing for the Future: Changing Roles in Mass Transit. Washington D.C.

3. Federal Highway Administration and Urban Mass Transportation Administration U.S. Department of Transportation, July 1986. Alternative Financing for Urban Transportation, The State of the Practice. Washington D.C.

4. Information documented in interviews of transit officials in comparable states including:

   - Mr. John Parsons, Division Chief Public Transit, State of Indiana.
   - Mr. Phillip Kazmierski, Acting Deputy Director of Bureau of Urban and Public Transportation, State of Michigan.
   - Mr. Robert Works, Director of Transit Programs Section, Department of Transportation, State of Minnesota.
   - Ms. Linda Lovejoy, Chief of Public Transit, State of Wisconsin.

   [The information gathered from the April 1991 interviews provided substantive data for the financing mechanisms and the alternative and innovative financing sections of this report.]