

*Tough Times: How Transit  
Systems Are Responding To  
Revenue Loss*

**Presented to the  
Washington State Transportation Commission**

***October 21, 2009***

# How Transit Systems Are Responding To Revenue Loss: Presentation Outline

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

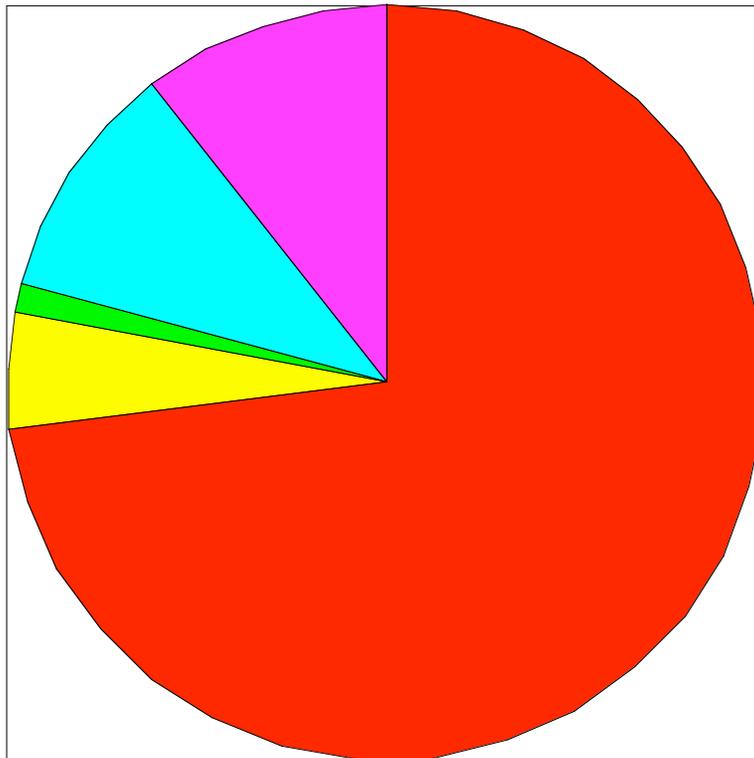
# Public Transportation in Washington State

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

# Funding for Public Transportation - 2007

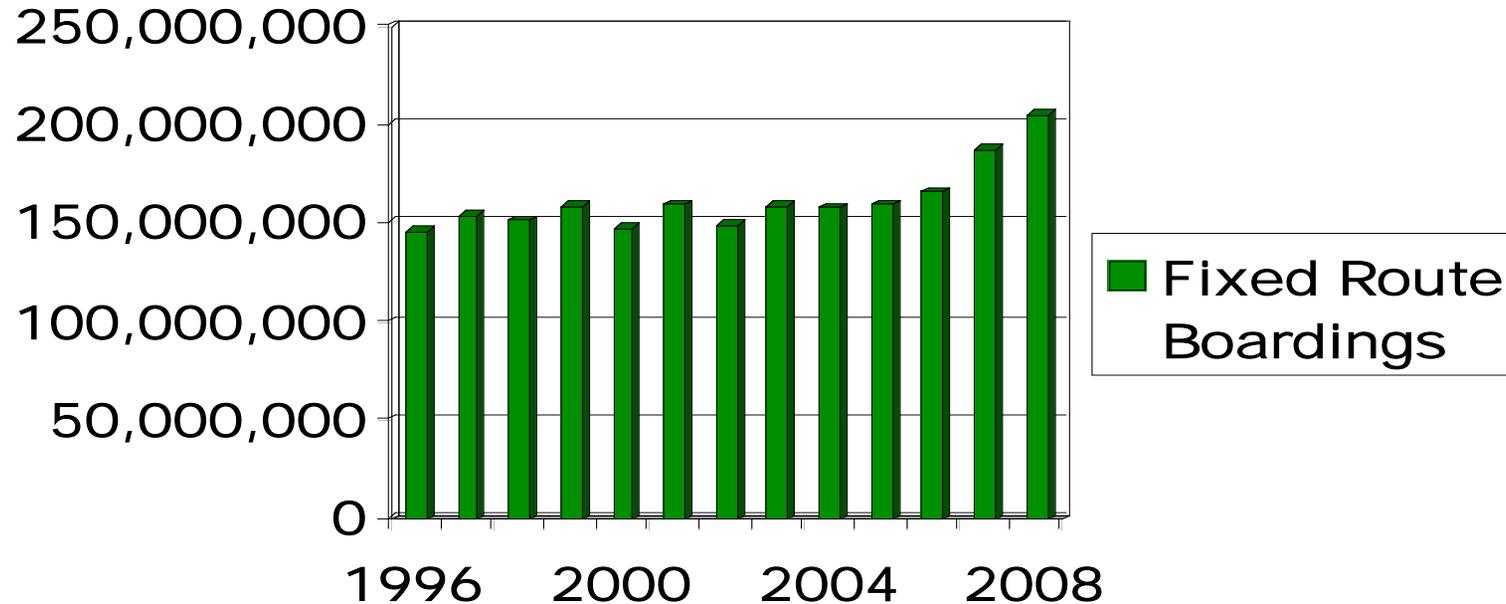
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- Sales and Local Tax - 73.1%
- Federal - 5.0%
- State - WSDOT - 1.0%
- Other - 10.3%
- Fares - 10.7%

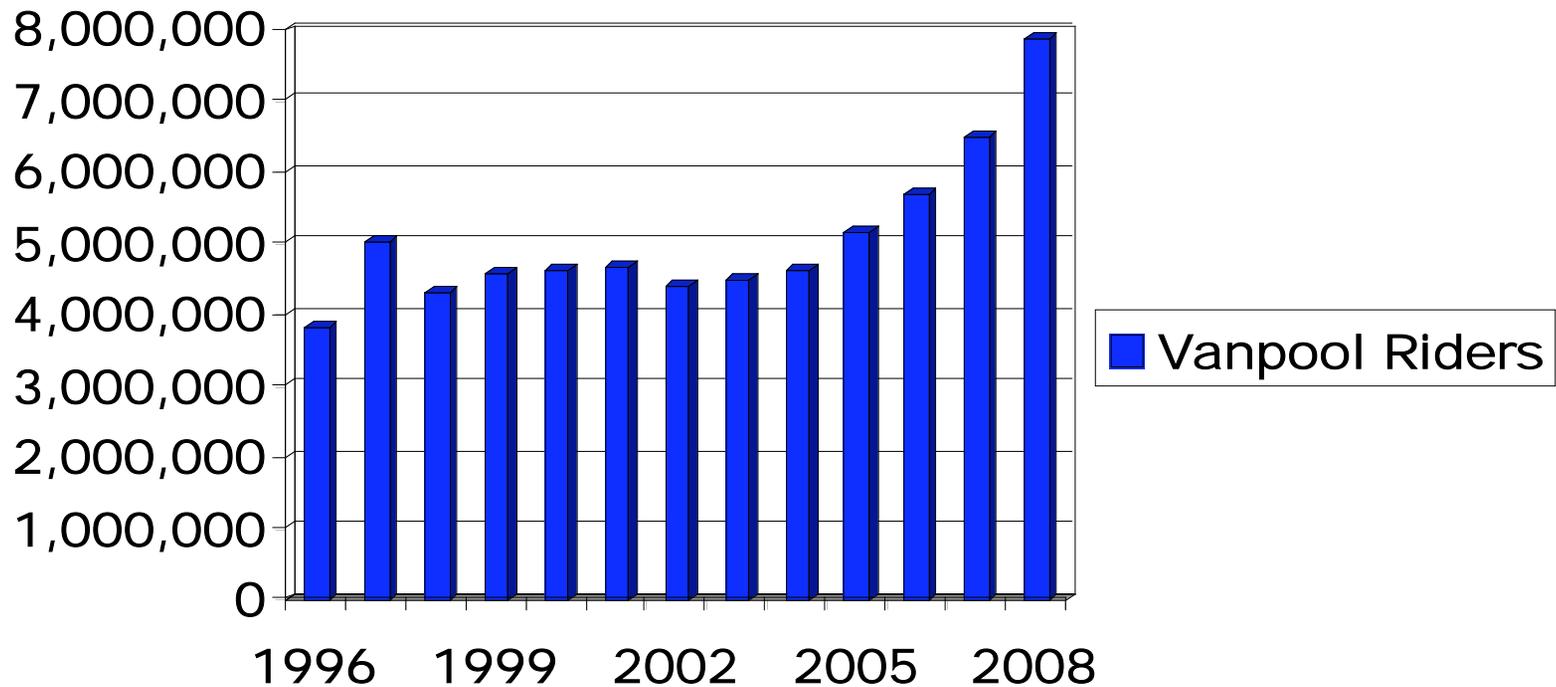
# Public Transportation Fixed-Route Ridership - 1996 to 2008

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# Public Transportation – Vanpool Ridership 1996 to 2008

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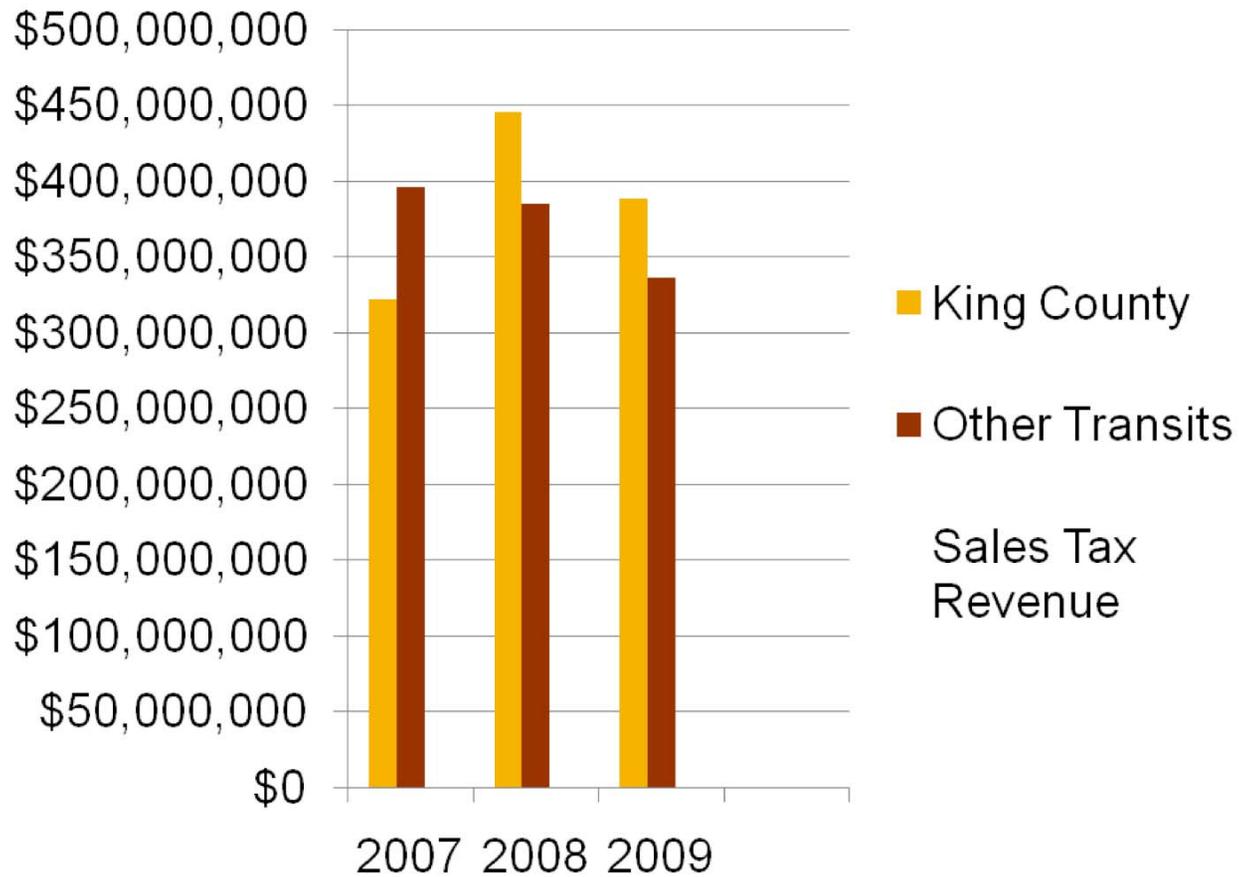
# Impact of Public Transportation Investments

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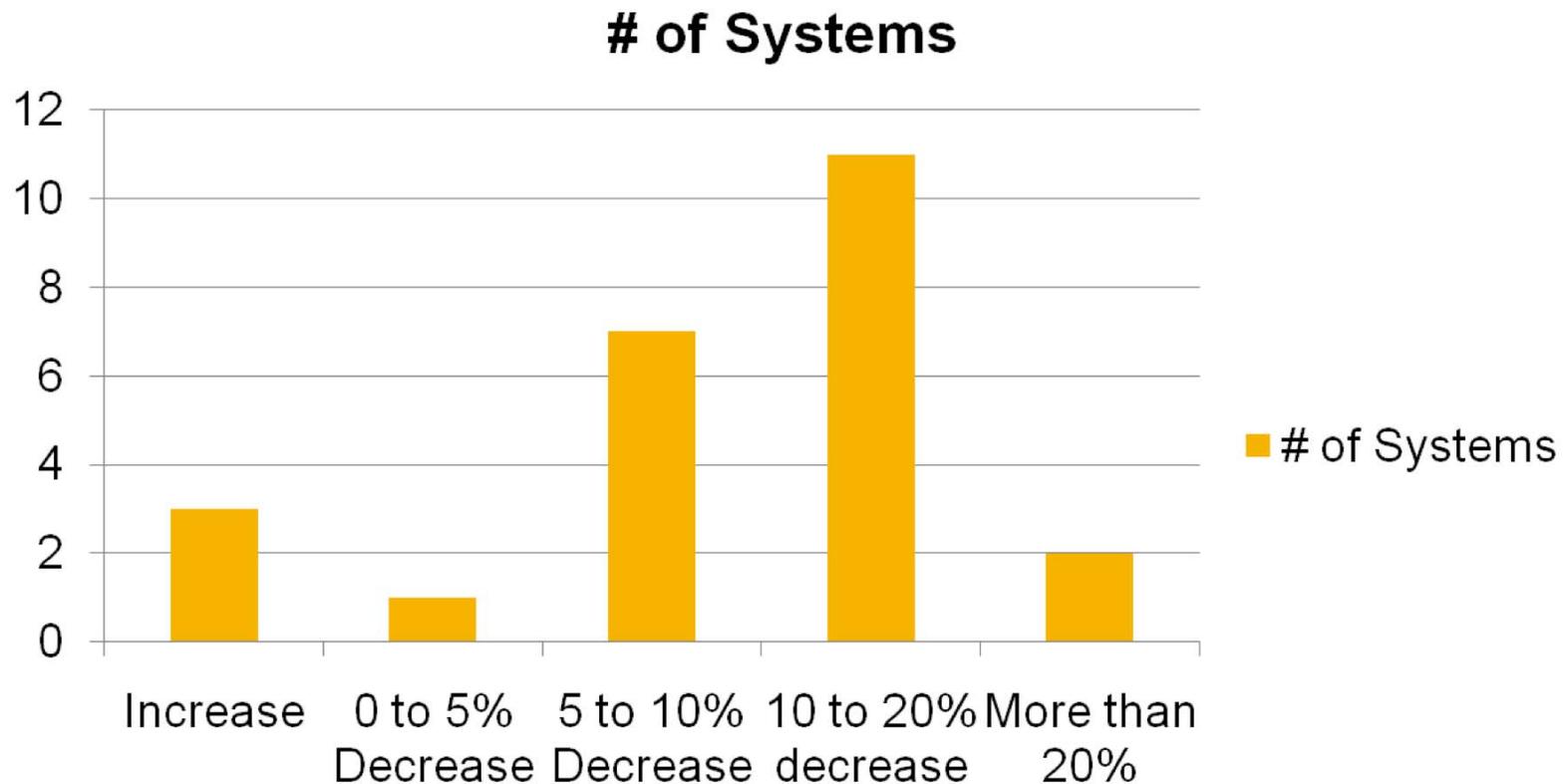
***Direct dollar investments multiply through economy***

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

# Sales Tax Revenue: 2007 to 2009



# Level of Sales Tax Reduction by Transit System - 2008 to 2009



# Transit System Actions to Address Sales Tax Revenue Reduction

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

## Fare Increases

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

## Deferred Capital Projects

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

## Service Reductions

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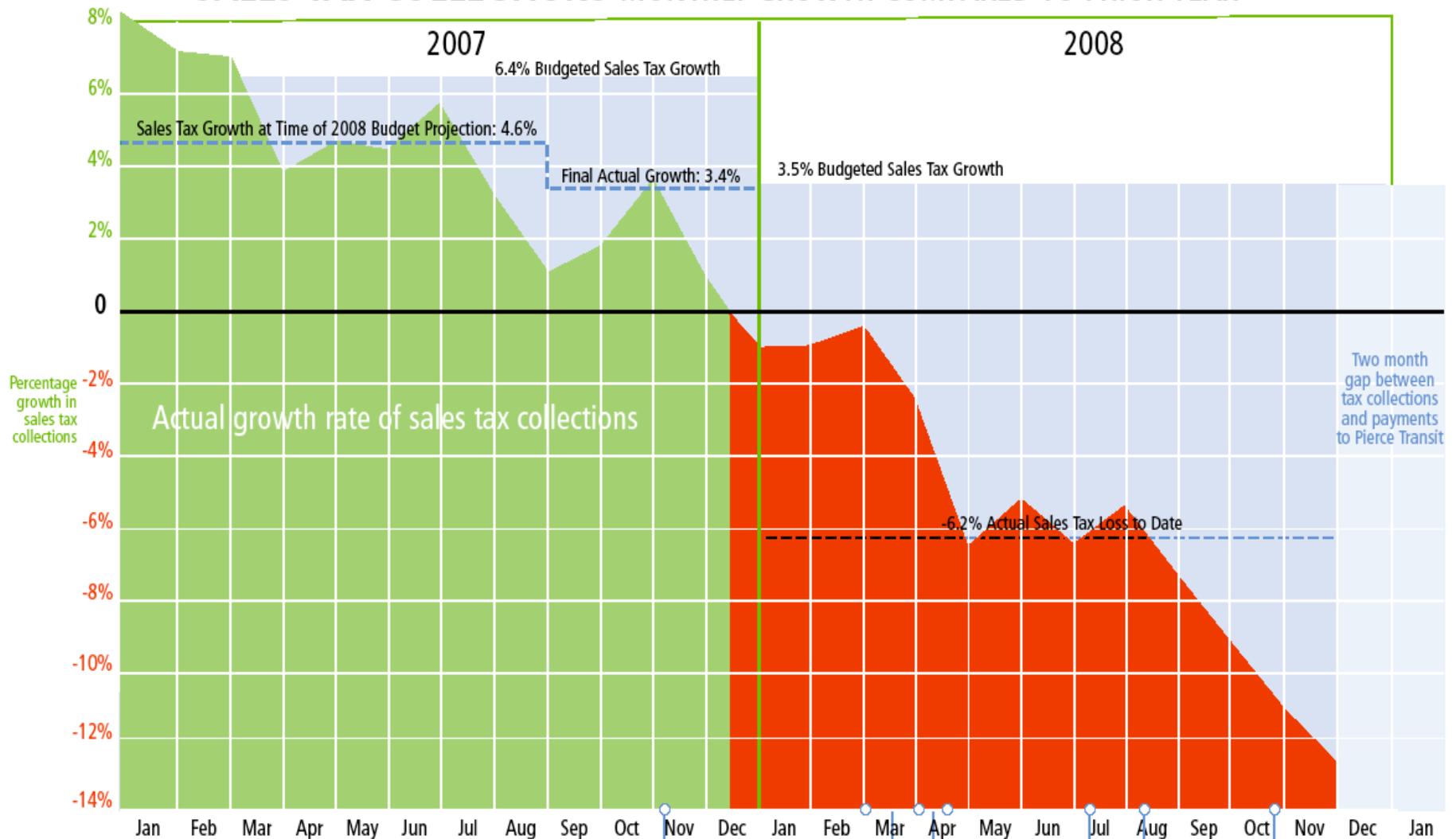
- ***4 systems cut service in 2009***
  - *Jefferson, Kitsap, Link and Pierce*
- ***8 systems plan 2010 reductions***
  - *King, Community, C-Tran , Spokane, Whatcom, Ben-Franklin Transit, Grays Harbor and Valley Transit*
- ***Most systems will reduce after 2011 w/o additional revenue***

## Sales Tax Increase

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

# SALES TAX COLLECTIONS MONTHLY GROWTH COMPARED TO PRIOR YEAR



## Questions about this chart?

Drop them in the suggestion box—answers will be posted on the PT intranet. Or call Cathie Reid (8078), Kathy Sullivant (8120), or Wayne Fanshier (8014) with your questions.

11/07 Board Study Session: Based on data through August, projected 2008 sales tax growth revised down to 3.5%.

2007 sales tax growth was 4.6% through August

Based on data through January, Executive staff begin strategic cost cuts. As of 3/31/08, \$4.1 million in expenditures identified and reduced in 2008 Budget, and \$6.5 million for 2009-2013. No labor impact.

Executive staff meet to restrict hiring, 4/2/08. Board meeting to discuss sales tax concern, 4/14/08.

Based on data through April, hiring freeze begins, 7/8/08. 8/08, fourth wave of cost containment efforts.

Staff reductions announced, 10/27/08

# WSTA Proposal for State Role in Public Transportation

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