



Washington State  
Transportation Commission



# Transit Funding Overview

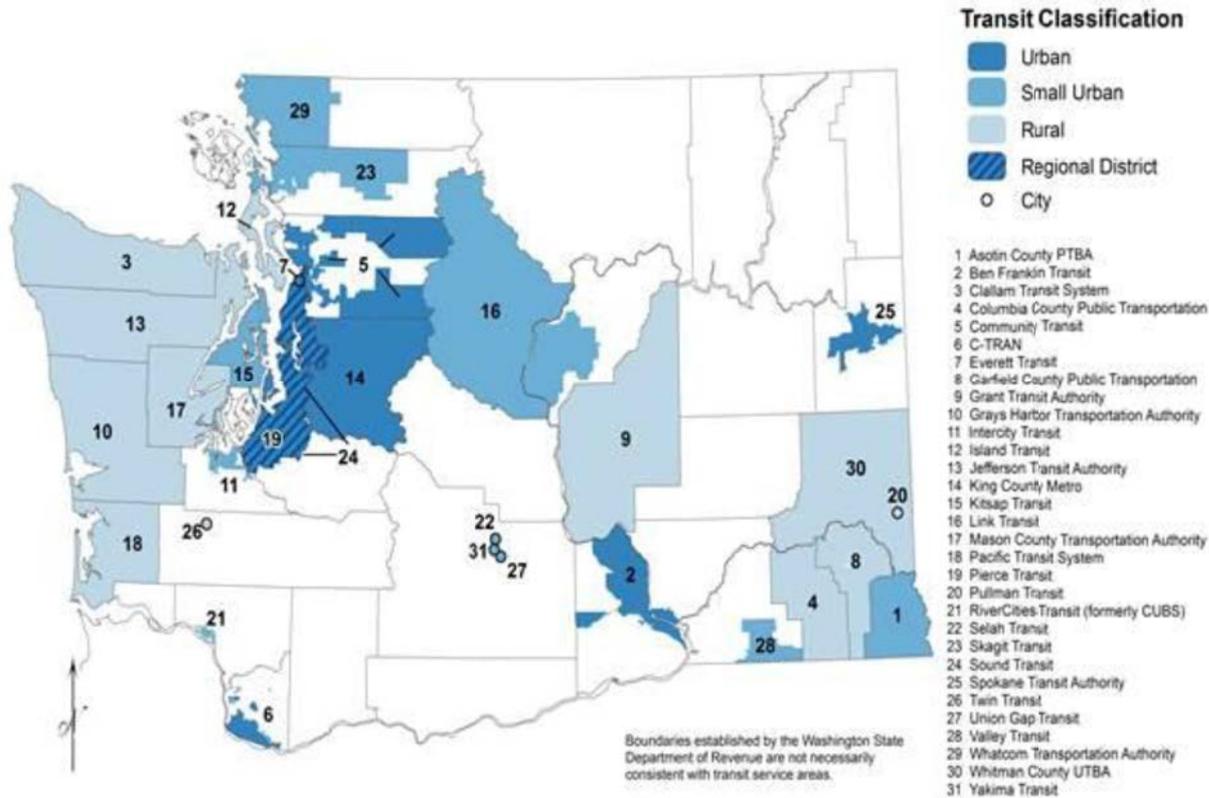
October 14, 2014

# What are the Elements of the Public Transportation System?

|                      | State \$\$   | Federal \$\$  | Local \$\$   |
|----------------------|--|---|--|
| <b>Buses</b>         |  | Capital  | Operating       |
| <b>Commuter Rail</b> |  | Capital  |                 |
| <b>Light Rail</b>    |  | Capital  |                 |
| <b>Amtrak</b>        |           | Capital  |  |
| <b>Ferries</b>       |           |           | County systems  |
| <b>Vanpools</b>      | Capital  |   | Operating      |
| <b>Paratransit*</b>  |         |         |               |

\*Does not include \$60 million federal funds for Medicaid transportation.

# Washington State's Public Transit Authorities



- Roughly 80% of the state's population is within transit boundaries, but that does not mean that all residents have access to service that meets their needs.
- The new Okanogan County Transit Authority is just north of #16 on the map.

# How much tax revenue is collected by the state's transit agencies?

**In 2010, total transit tax collections were \$2.05 billion.** Of this total, sales tax receipts accounted for \$1.23 billion. Statewide, transit funding is comprised of:

- Local sales tax revenue 60%
- Federal funds 18%
- Fares 10%
- Other local revenue 10%
- State 2%

**The \$4.3 billion state transportation budget** for that period was comprised of:

- Bond revenue 29%
- Motor vehicle fuel tax 28%
- Federal funds 22%
- Licenses, permits and fees 10%
- Ferry fares 3%
- Other sources 8%

In 2010, counties spent \$849 million on roads; cities spent \$1.3 billion on street maintenance, construction and operations.

# Transit agencies vary significantly in size and function

Of the 32 transit agencies in the state, only Sound Transit provides light rail service and commuter rail service. Sound Transit also provides Express Bus service in King, Pierce and Snohomish Counties that serves primarily commuters to school and work.



In 2012, Sound Transit carried 28.5 million passengers. Its operating revenues were over \$690 million and its capital budget over \$138 million.

King County Metro carried 120 million passengers in 2012. Its operating revenue was over \$672 million and its capital budget \$55 million.



Link Light Rail in Downtown Seattle Transit Tunnel

For comparison, the next six largest urban transit systems together carried 39% of the passengers carried by Metro alone. Combined operating expenditures by Spokane Transit, Pierce Transit, C-Tran, Community Transit, Ben Franklin Transit and Everett Transit were nearly \$364 million. Their combined capital expenditures were nearly \$25 million.

## Washington's Large Urban Transit Systems (2012 data)

| Agency                       | Passenger Trips (000) | Operations (000) | Capital (000)  | State Funding (Operating and capital) (000) |
|------------------------------|-----------------------|------------------|----------------|---|
| Sound Transit (total)        | 28,540                | 690,657          | 138,410        | 3,620                                       |
| ST bus                       | 16,012                |                  |                |   |
| ST rail/light rail/streetcar | 12,528                |                  |                |   |
| King County Metro            | 119,877               | 672,548          | 55,337         | 1,336                                       |
| Pierce Transit               | 11,848                | 91,263           | 2,471          | 1,798                                       |
| Spokane Transit              | 11,771                | 71,897           | 13,506         | 834   |
| Community Transit            | 9,093                 | 102,179          | 5,598          | 2,811                                       |
| C-Tran                       | 6,889                 | 45,310           | 1,727          | 1,338                                       |
| Ben Franklin Transit         | 4,607                 | 31,586           | 75             | 585   |
| Everett Transit              | 2,395                 | 21,691           | 1443           | 676   |
| <b>TOTAL</b>                 | <b>195,020</b>        | <b>1,727,131</b> | <b>218,567</b> | <b>12,998</b>                               |

# Five transit agencies collect the maximum 0.9% sales tax

**Local Sales and Use Tax Authorized for Public Transportation in 2012**

|    | Transit System                        | Authority | Sales Tax |                | 2012 Service Area Population |
|----|---------------------------------------|-----------|-----------|----------------|------------------------------|
|    |                                       |           | Rate      | Effective Date |                              |
| 1  | Asotin County PTBA                    | PTBA      | 0.2%      | 4/1/2005       | 21,700                       |
| 2  | Ben Franklin Transit                  | PTBA      | 0.6%      | 7/1/2002       | 236,074                      |
| 3  | Clallam Transit System                | PTBA      | 0.6%      | 1/1/2001       | 72,000                       |
| 4  | Columbia County Public Transportation | County    | 0.4%      | 4/1/2006       | 4,100                        |
| 5  | Community Transit                     | PTBA      | 0.9%      | 1/1/2002       | 528,849                      |
| 6  | C-TRAN                                | PTBA      | 0.7%      | 4/1/2012*      | 364,539                      |
| 7  | Everett Transit                       | City      | 0.6%      | 1/1/2005       | 103,300                      |
| 8  | Garfield County Public Transportation | UTBA      | 0.0%      | N/A            | 840                          |
| 9  | Grant Transit Authority               | PTBA      | 0.2%      | 1996           | 91,000                       |
| 10 | Grays Harbor Transportation Authority | CTA       | 0.6%      | 2000           | 73,150                       |
| 11 | Intercity Transit                     | PTBA      | 0.8%      | 1/1/2011       | 163,055                      |
| 12 | Island Transit                        | PTBA      | 0.9%      | 1/1/2010       | 79,350                       |
| 13 | Jefferson Transit Authority           | PTBA      | 0.9%      | 7/1/2011       | 30,175                       |
| 14 | King County Metro                     | County    | 0.9%      | 4/1/2007       | 1,957,000                    |
| 15 | Kitsap Transit                        | PTBA      | 0.8%      | 10/1/2001      | 254,500                      |
| 16 | Link Transit                          | PTBA      | 0.4%      | 1990           | 106,775                      |
| 17 | Mason County Transportation Authority | PTBA      | 0.6%      | 1/1/2001       | 61,450                       |
| 18 | Pacific Transit                       | PTBA      | 0.3%      | 1979           | 20,970                       |
| 19 | Pierce Transit                        | PTBA      | 0.6%      | 7/1/2002       | 753,889                      |
| 20 | Pullman Transit                       | City      | 0.0%      | N/A            | 31,000                       |

### Local Sales and Use Tax Authorized for Public Transportation in 2012

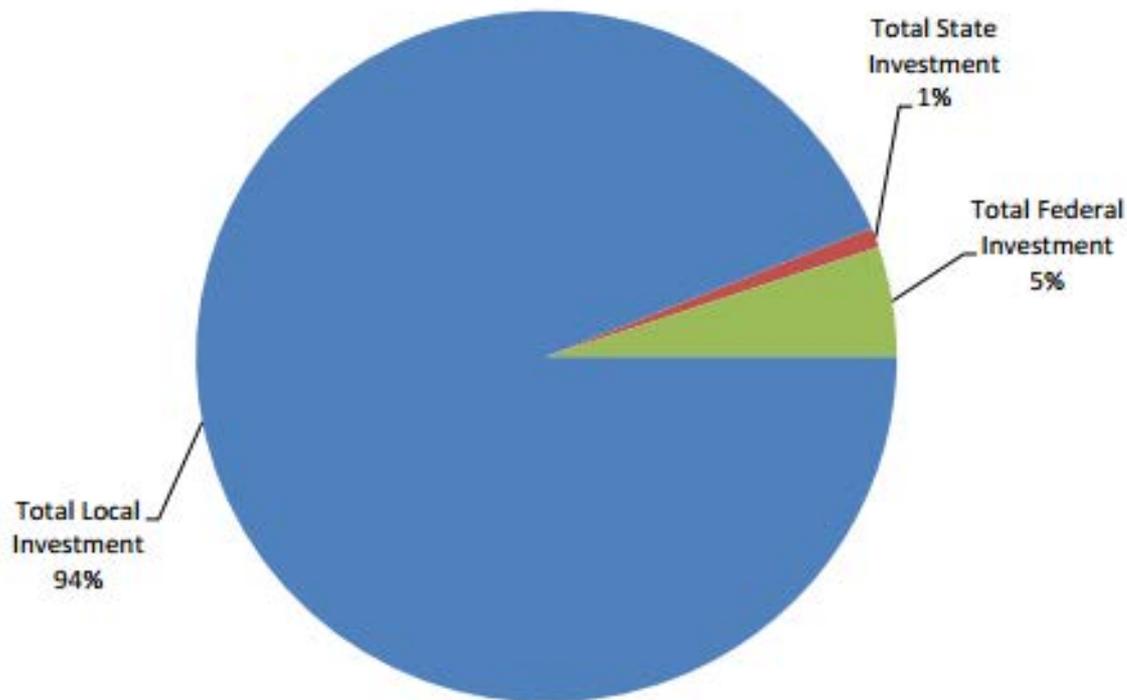
|               | Transit System                       | Authority | Sales Tax |                | 2012 Service Area Population |
|---------------|--------------------------------------|-----------|-----------|----------------|------------------------------|
|               |                                      |           | Rate      | Effective Date |                              |
| 21            | RiverCities Transit (formerly CUBS)  | PTBA      | 0.3%      | 4/1/2009       | 48,840                       |
| 22            | City of Selah Transportation Service | City      | 0.3%      | 7/1/2007       | 7,290                        |
| 23            | Skagit Transit                       | PTBA      | 0.4%      | 4/1/2009       | 103,180                      |
| 24            | Sound Transit                        | Regional  | 0.9%      | 4/1/2009       | 2,781,740                    |
| 25            | Spokane Transit Authority            | PTBA      | 0.6%      | 1/1/2005       | 401,493                      |
| 26            | Twin Transit                         | PTBA      | 0.2%      | 4/1/2005       | 24,015                       |
| 27            | Union Gap Transit                    | City      | 0.2%      | 4/1/2008       | 6,105                        |
| 28            | Valley Transit                       | PTBA      | 0.6%      | 7/1/2010       | 50,257                       |
| 29            | Whatcom Transportation Authority     | PTBA      | 0.6%      | 2002           | 203,318                      |
| 30            | Whitman County UTBA                  | UTBA      | 0.0%      | N/A            | 14,950                       |
| 31            | Yakima Transit                       | City      | 0.3%      | 1980           | 91,930                       |
| <b>Totals</b> |                                      |           |           |                | <b>5,890,144</b>             |

\*Sales tax rate change went into effect in 2012.

**Source:** WSTA, WSDOT, OFM and DOR. PTBA/UTBA = Public or Unincorporated Transportation Benefit Area. Sales tax rates reflect the approved and implemented rates as of Dec. 31, 2012. Pullman Transit receives 2% of local utility taxes. Sound Transit population is not included to avoid duplication. Clark County approved an additional 0.2 of one percent in November of 2011 but that didn't go into effect until April 1, 2012.

# Statewide over 93% of Transit Operating Revenue is Local Funds

## Total Operating Funds by Source, 2012



Total = \$1,994,920,426

### 2012 Federal Transit Apportionments and Allocations (Federal Fiscal Year)

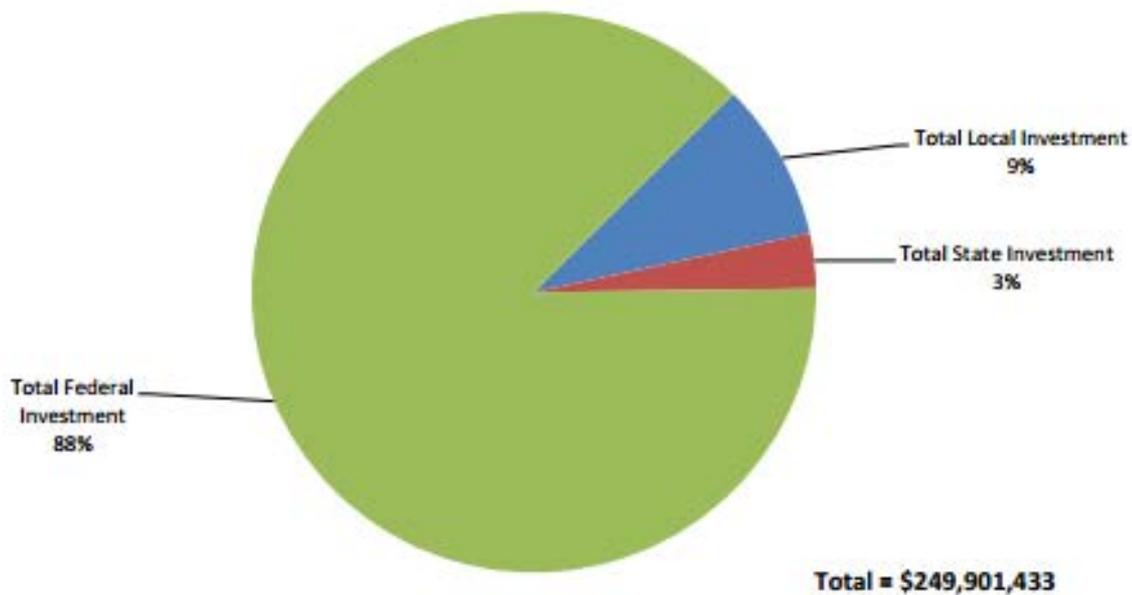
| Funding Source                       | Description   | Amount               |
|--------------------------------------|---|----------------------|
| §5311                                | WSDOT (Statewide)   | \$9,600,022          |
| §5311 RTAP                           | WSDOT (Statewide)   | \$148,727            |
| §5311(c) Tribal Transit Program      | Tribal operating projects statewide   | \$1,696,559          |
| §5316                                | Job Access and Reverse Commute projects statewide                           | \$3,891,310          |
| §5317                                | New Freedom projects statewide  | \$2,522,087          |
| §5303                                | WSDOT (Statewide MPO)   | \$1,996,004          |
| §5304                                | WSDOT (Statewide)   | \$413,561            |
| §5307                                | Urban and Small Urban projects statewide                                    | \$162,498,035        |
| §5307 Small Transit Intensive Cities | Small Urban projects statewide  | \$3,550,899          |
| §5310                                | WSDOT (Statewide)   | \$2,536,376          |
| §5309 Fixed Guideway                 | Fixed guideway projects in eligible UZAs.                                   | \$55,956,923         |
| §5309 New Starts                     | New Starts projects in Seattle and King County                              | \$141,587,000        |
| §5309 State of Good Repair           | Capital improvement projects and vehicle replacements statewide             | \$17,832,116         |
| §5309 Bus Livability                 | ITS and Capital improvement projects statewide                              | \$6,281,500          |
| §5309 Veterans                       | Technological improvement projects to enhance access for veterans statewide | \$400,088            |
| §5308 Clean Fuels                    | Clean fuel vehicle projects in urbanized areas                              | \$3,685,350          |
| §3038 Over the Road Intercity        | GTO LLC – New Lifts   | \$85,700             |
| §5320 Paul S Sarbanes National Parks | Mount Rainier National Park – Lease Paradise Area Shuttle Service Vehicles  | \$250,000            |
| <b>Annual Total</b>                  |   | <b>\$414,932,257</b> |

In 2012, federal transit assistance statewide totaled \$415 million.

Of that total, nearly one-third went to Sound Transit. Over half the total federal funding went to ST and King County Metro.

Federal funds provide 88% of the capital investment for transit agencies.

**Total Capital Funds by Source, 2012**



## Special Needs Transportation is Most Expensive

Statewide, collectively and for individual transit agencies, demand/response service for special needs populations has the highest operating cost. For many transit agencies those trips cost 10 times more than fixed route bus service. At most, transit agencies are reimbursed for 150% of the fixed route fare.

**Operating Costs per Passenger Trip 2007—2012**

|                 | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    |
|-----------------|---------|---------|---------|---------|---------|---------|
| Fixed Route     | \$4.32  | \$4.20  | \$4.39  | \$4.69  | \$4.67  | \$4.74  |
| Route Deviated  | \$9.34  | \$7.31  | \$7.87  | \$9.16  | \$9.01  | \$7.97  |
| Demand Response | \$29.86 | \$32.32 | \$31.99 | \$33.80 | \$35.95 | \$37.81 |
| Vanpool         | \$3.43  | \$3.39  | \$3.21  | \$3.52  | \$3.64  | \$3.37  |
| Commuter Rail   | \$11.52 | \$11.65 | \$13.65 | \$13.09 | \$12.06 | \$13.11 |
| Light Rail      | –       | \$5.95  | \$6.01  | \$5.60  | \$5.33  | \$5.57  |

Public transit agencies provide most of the paratransit trips in this state, with very little funding from the state. Of the 8.3 million paratransit trips reported in 2011, public transit agencies provided 6.7 million at a cost of \$183 million. Paratransit costs are consuming an increasing share of transit agency budgets (up from 15 percent in 2007 to 20 percent in 2011). In 2011, three percent of Pierce Transit's total trips were on paratransit, but the operating costs consumed over 20 percent of their total budget and they only recovered two to three percent of the operating costs through fares. Small and rural systems spend even more of their budget on paratransit – some over 40 percent.

Statewide, fixed route bus passengers pay 25% of operating costs through fares.

**Farebox Recovery/Vanpool Revenue Recovery 2007—2012**

|                 | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  |
|-----------------|-------|-------|-------|-------|-------|-------|
| Fixed Route     | 17.8% | 19.7% | 21.5% | 23.0% | 24.2% | 25.4% |
| Route Deviated  | 3.9%  | 4.2%  | 4.1%  | 3.8%  | 4.3%  | 4.5%  |
| Demand Response | 2.3%  | 2.3%  | 2.4%  | 2.3%  | 2.7%  | 2.9%  |
| Vanpool         | 71.8% | 67.9% | 84.8% | 77.5% | 75.6% | 81.0% |
| Commuter Rail   | 27.1% | 26.4% | 22.8% | 22.0% | 26.3% | 25.8% |
| Light Rail      | 0.0%  | 11.2% | 11.7% | 21.2% | 24.4% | 24.9% |

King County Metro has enacted five fare increases since 2008, raising fares by 75 cents for most services. Its farebox recovery rate is 29%. Community Transit has increased fares by 36% between 2008 and 2013.

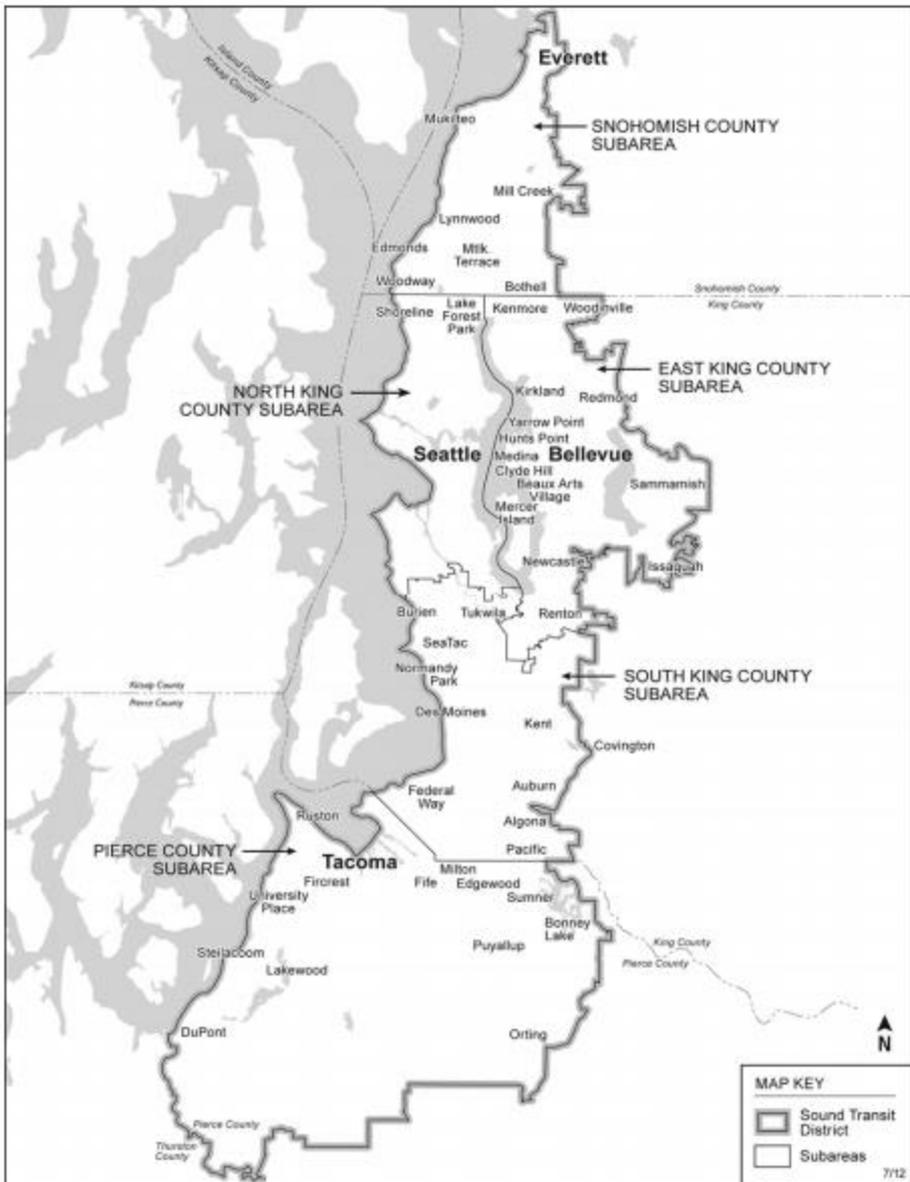
Every public transit system experiences a tension between the need to (1) maximize capacity versus (2) providing access; a tension which leads to variations in cost per trip or mile, and also to variations in farebox recovery.

# Sound Transit History

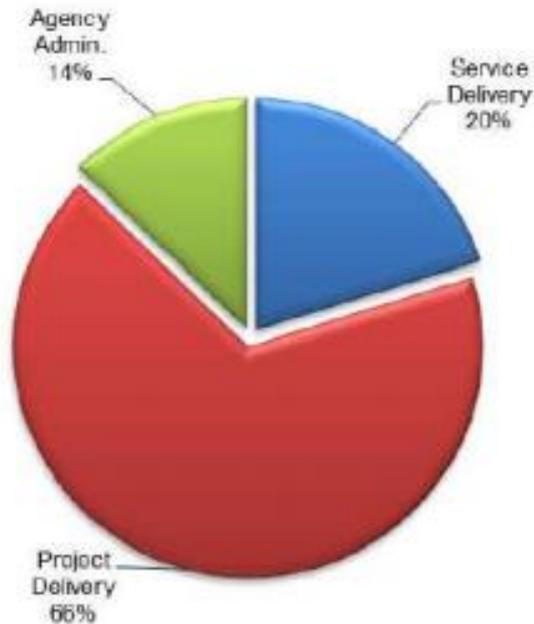
The Legislature authorized Sound Transit in 1993. Voters approved the boundaries and the *Sound Move* package of projects and revenue in 1996. A second package, *ST2*, was approved by voters in 2008.

Express bus service began in 1999 and *Sounder* Commuter Rail began in 2000.

Light rail service began in Tacoma in 2003 and *Central Link* between Sea-Tac and Seattle in 2009. In 2Q 2014, *Central Link* averaged 33,000 weekday riders and *Sounder* carried about 12,500 weekday riders.



Sound Transit is focused on operating regional bus and rail systems and building 30 more miles of light rail. The 2014 ST budget is \$1.1 billion.

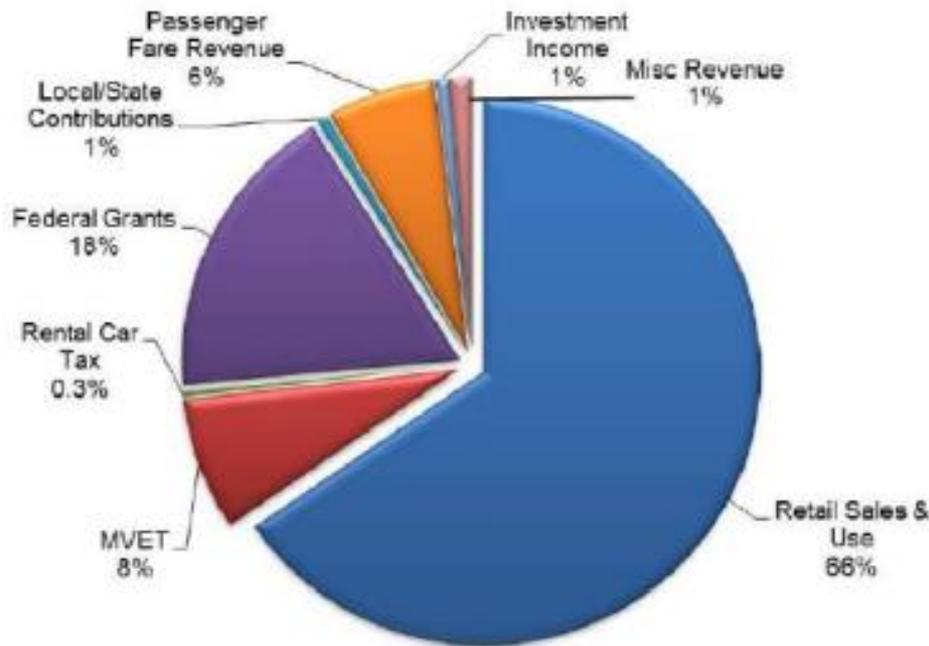


**OPERATING EXPENSES & CAPITAL OUTLAYS**

(in thousands)

|                       |                    |
|-----------------------|--------------------|
| Service Delivery      | \$220,959          |
| Project Delivery      | 741,642            |
| Agency Administration | 159,674            |
| <b>Total</b>          | <b>\$1,122,275</b> |

Voter-approved sales tax and MVET revenue comprise nearly 75% of Sound Transit 2014 revenue. State dollars are less than ½ percent of ST revenue.



#### REVENUE AND OTHER FINANCING SOURCES

(In thousands)

|                           |                  |
|---------------------------|------------------|
| Retail Sales and Use Tax  | \$602,080        |
| MVET                      | 71,930           |
| Rental Car Tax            | 2,705            |
| Federal Grants            | 161,247          |
| Local/State Contributions | 5,743            |
| Passenger Fare Revenue    | 58,171           |
| Investment Income         | 7,377            |
| Misc Revenue              | 10,699           |
| <b>Total</b>              | <b>\$919,952</b> |

Sound Transit Express Buses had nearly 62,000 average weekday boardings in 2Q 2014.



# Geography is a challenge in Puget Sound

## CHOOSING METRO MAXIMIZES THE ROADS WE HAVE.

Transit takes 175,000 cars off the road each weekday, reducing congestion and saving everyone time—whether or not you ride the bus.



## TRANSIT MOVES PEOPLE BETTER.

In cities everywhere, transit is the most effective way to move the most people. One full Metro bus carries the same number of people as 60+ cars.

### 1 FULL BUS



### 60+ PEOPLE DRIVING ALONE



#### Access and community transportation



Metro serves people who are ADA paratransit eligible.

State funding covers only a small fraction of paratransit costs: for the 2011-13 biennium, the state funded just \$19.5 million (\$9.75 million per year) for special needs transportation grants for public transit agencies and \$5.5 million (\$2.75 million per year) for non-profit providers.

#### MORE THAN JUST BUSES

Metro operates the nation's largest public vanpool program.



**8,000** people use Metro vanpool each weekday.



# Metro carried over 119 million riders in 2012

Metro's \$1.353 billion operating budget for 2013 – 14 includes \$438 million in sales tax revenue and \$149 million in fares.

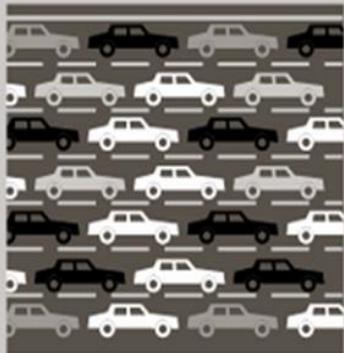
*(in thousands)*

|                 |         |
|-----------------|---------|
| Bus and Trolley | 113,623 |
| Route-deviated  | 940     |
| Dial-a-Ride     | 1,120   |
| Vanpool         | 3,443   |

|  | Off-Peak<br>All Zones   | Peak<br>One Zone | Peak<br>Two Zone |
|--|---|------------------|------------------|
| <b>Adult</b><br>age 19-64  | \$2.25  | \$2.50           | \$3.00           |
| <b>Senior</b><br>with <a href="#">Regional Reduced Fare Permit</a>   | 75¢   | 75¢              | 75¢              |
| <b>Riders with disabilities and Medicare card holders</b><br>with <a href="#">Regional Reduced Fare Permit</a> | 75¢   | 75¢              | 75¢              |
| <b>Youth</b><br>age 6-18   | \$1.25  | \$1.25           | \$1.25           |
| <b>Children</b><br>age 0-5 yrs   | Up to four children age 5 and under ride free with a person paying an adult fare. |                  |                  |
| <b>Access Transportation</b>   | \$1.25  | \$1.25           | \$1.25           |

## FASTER COMMUTES

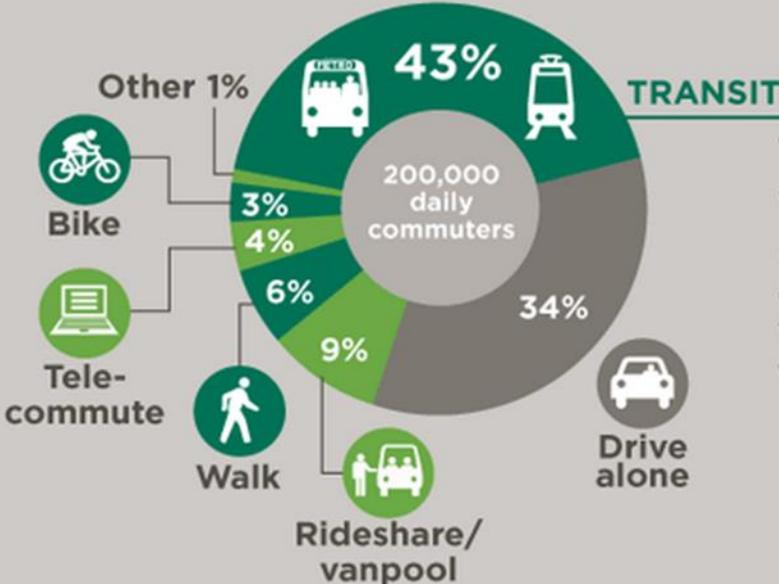
During peak commute hours, Metro frees up the equivalent of...



Statewide, transit accounts for a small share of total trips. But of the 200,000 people working in downtown Seattle, 43% take transit between work and home.

### METRO CONNECTS PEOPLE TO JOBS

King County is Washington state's economic hub, and Metro provides reliable daily transportation to job centers across the region.



Two-thirds of downtown Seattle's **200,000 workers** are choosing better ways to commute than driving alone.