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Nationwide Examples of State and Local Funds for Mass Transit

Final Report

Linda Cherrington

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16. Abstract

One of the transportation challenges facing Texas is the identification of adequate funding for mobility projects. During the 80th Texas Legislature, several proposals were made to address mass transit funding for the metropolitan areas of the state. The chairman of the Texas Senate Committee on Transportation and Homeland Security requested the Texas Transportation Institute to update previous research on national examples for funding regional transit and to provide additional information on regional rail projects. The research is presented in this paper documenting nationwide examples for funding mass transit and regional rail. The research findings provide background information for members of the Senate Committee as they consider and make decisions for funding mass transit in Texas.

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NATIONWIDE EXAMPLES OF STATE AND LOCAL FUNDS FOR MASS TRANSIT

by

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DISCLAIMER

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NATIONWIDE EXAMPLES OF STATE AND LOCAL FUNDS FOR MASS TRANSIT

Executive Summary

One of the transportation challenges facing Texas is the identification of adequate funding for mobility projects. During the 80th Texas Legislature, several proposals were made to address mass transit funding for the metropolitan areas of the state. The chairman of the Texas Senate Committee on Transportation and Homeland Security requested the Texas Transportation Institute (TTI) to update previous research on national examples for funding regional transit and to provide additional information on regional rail projects. The research findings provide background information for members of the Senate Committee as they consider and make decisions for funding mass transit in Texas.

NATIONAL OVERVIEW OF SOURCES OF FUNDS FOR TRANSIT

Funds for transit come from federal, state, and local sources. Local funds include fares from users, revenues generated directly by the transit agency (including locally dedicated taxes), and contributions from local governments.

When compared to the national average, Texas transit agencies rely less on federal and state funds for transit operating revenues and more on local revenues. Local funds represent 69% of the operating funds applied nationally for urban transit systems and 85% of operating funds applied in Texas. State funds account for 23% and federal grants account for 8% when reported on a national basis; however, in Texas, state funds account for less than 1%, and federal funds represent 15% of all funds applied.

Sources of Operating Funds for Urban Transit in 2006
(dollars in millions)

	Federal	State	Local	Total
National	$2,523	$6,872	$21,213	$30,608
	8%	23%	69%	100%
Texas	$176	$10	$1,012	$1,198
	15%	<1%	85%	100%

Source: National Transit Database (NTD) 2006 and data reported to the Texas Department of Transportation (TxDOT)

Urban transit agencies in Texas also rely more on local funds for capital expenditures than on state or federal funds. On a national basis, 43% of capital funds expended are from local funds as compared to 66% in Texas. Nationally, capital projects are funded 13% from state resources and 44% from federal grants. This compares to Texas, where state funds account for less than 1% and federal funds are 34% of capital funds expended.

Sources of Capital Funds for Urban Transit in 2006
(dollars in millions)

	Federal	State	Local	Total
National	$5,552	$1,698	$5,502	$12,752
	44%	13%	43%	100%
Texas	$149	$2	$291	$442
	34%	<1%	66%	100%

Source: NTD 2006

FEDERAL FUNDING FOR TRANSIT

Federal funding for transit comes primarily through the U.S. Department of Transportation (U.S. DOT) and is administered by the Federal Transit Administration (FTA). The Safe, Accountable, Flexible, and Efficiency Transportation Equity Act – A Legacy for Users (SAFETEA-LU) authorizes $286.4 billion in funding for federal surface transportation programs over six years (2004 through 2009), including $52.6 billion (18.6%) for federal transit programs.

Federal funds for transit are appropriated from either the Highway Trust Fund or the general fund. Receipts for the Highway Trust Fund are derived from federal excise taxes on motor fuels and truck-related taxes. All tax revenues are deposited into the Highway Trust Fund and are then distributed to one of two accounts: the Highway Account and the Mass Transit Account. Approximately 15% of revenues from the taxes on motor fuels go into the Mass Transit Account. For the fiscal years 2005 through 2009 under SAFETEA-LU, 82% of all funds authorized for FTA are from the Mass Transit Account of the Highway Trust Fund. The remaining 18% of authorized funds are from the general fund of the U.S. Treasury.

Texas taxpayers contributed $416.8 million to the Mass Transit Account and received $313.5 million in apportionments for FTA programs that are paid from the Mass Transit Account (excludes $23.5 in New Starts projects paid from the general fund), representing 81% return on contributions for transit.[1]

In 2006, FTA apportioned $11.6 billion in current appropriations and carryover funds to designated recipients. Of that total, recipients in Texas received $337 million, or 2.9% of national expenditures. Of the $337 million for Texas, $279.3 or about 83% was from formula funds. The remaining FTA allocations to Texas were based on discretionary funding. Various designated recipients in Texas received $57.7 million for discretionary projects in fiscal 2006.

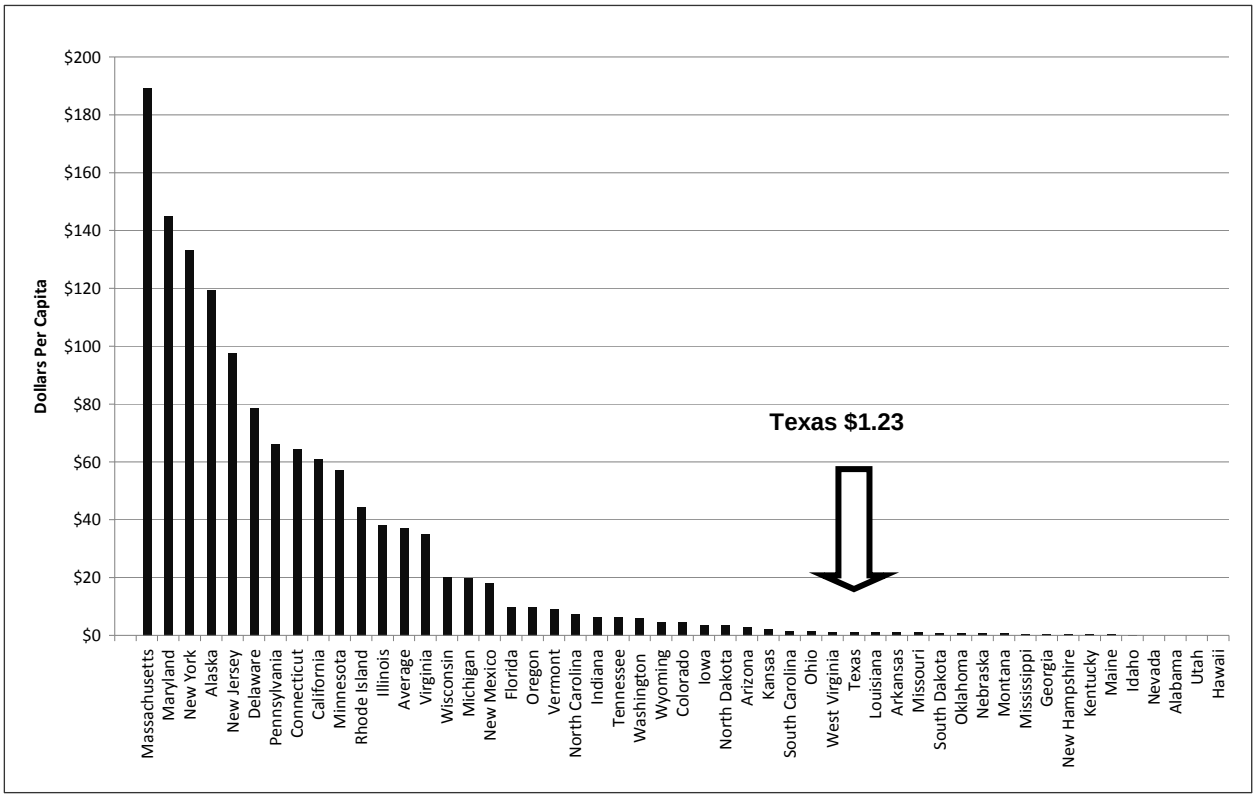
STATE FUNDING FOR TRANSIT

The U.S. Department of Transportation, Bureau of Transportation Statistics conducts a national survey of state funding for transit each year. According to the results of the survey for 2006, 47 of 50 states provided state funding to support state, regional, and local transit systems. On a national basis, state governments provide funds for transit at a level almost equal to all FTA federal apportionments. In 2006, total state contributions for transit were $11.1 billion as compared to the $11.6 billion in current appropriations and carryover funds apportioned by FTA.

[1] In 2006, Texas highway users contributed $2.96 billion to the Highway Account and received $2.82 billion in apportionments from the Federal Highway Administration (FHWA), a 96% return on contribution for highways.

When comparing each state's contribution of state funding for transit, Texas ranks 24th for total transit funding and 34th for per capita funding. In 2006, the per capita state funding for transit for all states was $37.04. State funding for transit in Texas was $1.23 per capita.

State Funding for Transit per Capita in 2006



Excludes Washington, D.C., $362.36 per capita

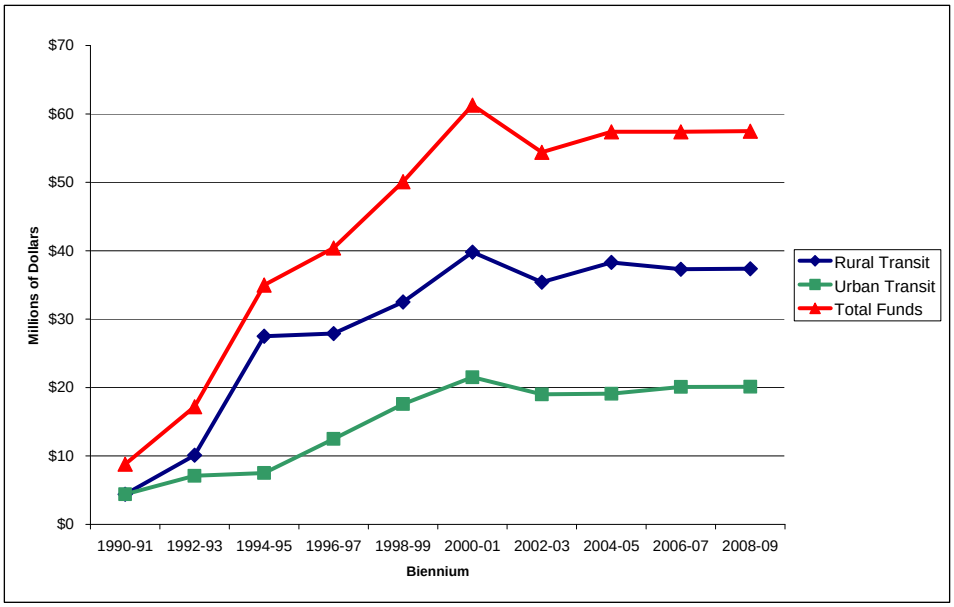
Source: Survey of State Funding for Public Transportation 2007 and U.S. Census Bureau, Population Estimates Program, American Community Survey for July 1, 2006

State Funding for Transit in Texas

In Texas, state transit funds are distributed to small urban and rural transit providers – the state does not fund transit programs in large metropolitan areas where most of the state's population resides. Texas provides financial support to 31 transit providers in eligible urban areas and 39 transit providers in rural areas. Generally, the state does not provide funding assistance to urban areas with a population of 200,000 or more and the legislative authority to ask voter approval to create a transit authority with a dedicated sales tax.

State funding levels are established each biennium by the Texas Legislature. The level of state funding has been consistent each of the last three biennia. The Legislature appropriated $57.4 million in state funds for public transportation each biennium, equal to about $28.7 million in state funds annually.

Texas State Appropriations for Public Transportation per Biennium



Source: Records from TxDOT compiled by TTI

In 2004, the Texas Transportation Commission established a formula to allocate funds for public transportation based on need and performance. The formula addresses state funds for small urban and rural transit providers and federal funds for rural areas. According to the formula, state funds for public transportation are split 35% to small urban areas and 65% to rural areas. The funding formula then allocates funds to each transit provider according to needs and performance. The portion of the formula attributed to needs is allocated to small urban transit systems based on population in each urban area. Rural systems receive the needs allocation based upon population (weighted 75%) and land area (weighted 25%).

Several measures are used to allocate funding based upon performance. These measures include revenue miles per operating expense, riders per revenue mile, local investment per operating expense, and riders per capita (urban systems only). The initial weighting of needs and performance in the allocation was 80% needs and 20% performance. Urban systems transitioned to 65% needs and 35% performance in 2008 and will transition again to 50% needs and 50% performance in 2010. Rural systems transitioned to 65% needs and 35% performance as of 2009. There will be no additional transition for rural systems.

National Survey of State Funding for Transit

The most common sources of state funding for transit include the following:

- Tax on gasoline or motor fuels (19 states)
- General fund (12 states)
- Vehicle registration, license or title fee (10 states)
- Bond proceeds (10 states)
- General sales tax (9 states)
- Sales tax on vehicles (9 states)
- Interest income (6 states)
- Lottery or casino revenues (4 states)
- Vehicle lease fees and rental car charges (3 states)

Examples of other sources of state funds for transit used by one or two states are:

- Corporate surcharge (business tax) or corporate income tax
- Petroleum business tax (business tax specifically imposed on petroleum companies)
- Mortgage recording tax (imposed on buyers of property)
- Documentary stamp tax (levied on documents of obligations to pay money)
- Toll revenues on a tollway
- Cigarette tax
- Fuel users and weight fees, tire tax
- State property or income tax

In Texas, the funds for transit are from sources that can be used for non-highway projects, such as vehicle certificates, special vehicle registrations, commercial transportation fees, and the sale of publications.

LOCAL FUNDING FOR TRANSIT

Transit providers typically rely on one or more of the following sources of local funding:

- Fares and fare-related income
- Directly generated revenue
  - Local or regional tax or fees dedicated to transit (where eligible)
  - Advertising
  - Concessions, rental income
  - Interest income
- Local government general fund or other local revenue source

Local Funding for Transit in Texas

In Texas, large urban areas are eligible under state statute to ask voter approval for a local option general sales tax dedicated for transit. The Texas state sales and use tax rate is 6.25%, but local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may also impose sales and use taxes up to 2% for a total maximum combined rate of 8.25%. Nine urban areas in Texas have approved a local option sales tax for a transit authority or transit department, and two cities have passed a local option sales tax for a specific transit purpose:

• Houston	Metropolitan Transit Authority of Harris County	1.0%
• Dallas	Dallas Area Rapid Transit	1.0%
• Fort Worth	Fort Worth Transportation Authority	0.5%
	Grapevine (for commuter rail)	0.375%
• San Antonio	VIA Metropolitan Transit	0.5%
	San Antonio Advanced Transportation District	0.25%
• Austin	Capital Metropolitan Transportation Authority	1.0%
• Corpus Christi	Regional Transportation Authority	0.5%
• El Paso	El Paso Mass Transit Department	0.5%
• Denton County	Denton County Transportation Authority	0.5%
• Laredo[2]	Laredo Transit Management, Inc.	0.25%

[2] Laredo is classified as a small urban area (population less than 200,000) as of the 2000 Census and is the only transit system with a local sales tax dedicated to transit that also receives state funding.

In addition to the transit authorities and transit departments in these urban areas, there are 30 urban transit systems in Texas that are not supported by a local sales tax dedicated to transit. These are small urban areas with a population of 50,000 to 199,999 and large urban areas (population 200,000 or more) that have not approved a local sales tax for transit (Lubbock, McAllen-Hidalgo County, Arlington, Grand Prairie, Mesquite and Northeast Transportation Services in Tarrant County).

Abilene	Lake Jackson-Arlington	San Angelo
Amarillo	Longview	Sherman-Denison
Arlington	Lubbock	Temple
Beaumont	McAllen-Hidalgo County	Texarkana
Brownsville	McKinney	Texas City-La Marque
College Station-Bryan	Mesquite	The Woodlands
Galveston	Midland	Tyler
Grand Prairie	Northeast Transportation Services	Victoria
Harlingen-San Benito	Odessa	Waco
Killeen	Port Arthur	Wichita Falls

Small urban areas in Texas rely more on federal (45%) and state (14%) sources of funds for operating expenses than do large urban areas. Local funds are more likely to be from local government (22%) than fares (15%) or other directly generated revenues (4%) in small urban areas. Large urban areas generally have access to a transit sales tax and so directly generated revenues are the largest source of operating funds (73% to 77%), greater than revenues from fares (9% to 13%) and local government (less than 1%). Federal funds are 13% of operating expenses in large urban areas and state funds are not significant (less than 1%).

Percent of Operating Funds by Source and Size of Urban Area in Texas in 2006

Texas Urban Transit Systems / **Size of Urban Area**	**Federal**	**State**	**Local Funds**			**Total**
			Fares	**Directly Generated Revenues**	**Local Govn't Funds**	
50,000 to 199,999 Population	45%	14%	15%	4%	22%	100%
200,000 to 999,999 Population	13%	<1%	9%	77%	<1%	100%
1 Million or More Population	13%	<1%	13%	73%	<1%	100%
All Urban Transit Systems	15%	<1%	13%	71%	1%	100%
Total Percent Local Funds for Operating			85%			

Source: NTD 2006

The local sales tax is equally significant as a source of revenue for capital expenses in large urban areas in Texas. Directly generated revenues fund 65% to 74% of capital expenses in large urban areas, as compared to less than 1% in small urban areas. Small urban areas rely more on federal (76%), state (11%), and local government (12%) sources of funds for capital expenses. In large urban areas, federal funds are the source of revenue for 25% to 33% of capital expenses. State funds (less than 1%) and local funds (1% to 2%) are not significant.

Percent of Capital Funds by Source and Size of Urban Area in Texas 2006

Texas Urban Transit Systems Size of Urban Area	Federal	State	Local Funds		Total
			Directly Generated Revenues	Local Govn't Funds	
50,000 to 199,999 Population	76%	11%	<1%	12%	100%
200,000 to 999,999 Population	25%	<1%	74%	1%	100%
1 Million or More Population	33%	<1%	65%	2%	100%
All Urban Transit Systems	34%	<1%	64%	2%	100%
Total Percent Local Funds for Capital			66%		

Source: NTD 2006

The most important source of funds for transit systems in large urban areas in Texas is the dedicated local sales tax for transit. However, the ability for small urban areas to access a dedicated local sales tax is limited by existing statutes in the Transportation Code (minimum thresholds for population and other criteria must be met). The ability for any local jurisdiction to use the local sales tax for transit is also limited by local decisions to use the tax for other eligible purposes. Local taxing jurisdictions may impose the sales tax up to but not exceeding 2%. In many, if not most local jurisdictions, the maximum sales tax rate has been met. There is no "room" to propose a dedicated local sales tax for transit without eliminating some other use of the revenues.

For these reasons, there is value in learning what other sources of revenue are used to fund mass transit nationwide.

Nationwide Examples of Sources of Local Funds for Transit

Research for this project included an effort to document the sources of local funds to finance regional transit systems in selected metropolitan areas across the U.S. The transit systems were selected based on the following criteria: 1) regional transit agencies that serve complex multi-city or multi-county metropolitan areas; 2) transit agencies that operate or will soon open regional rail systems or commuter rail corridors; and 3) transit agencies in large metropolitan areas often considered as peers for regional transit authorities in Texas. The research report profiles 56 transit agencies in the following 32 metropolitan areas:

Phoenix-Mesa, AZ
San Francisco-Oakland, CA
San Jose, CA
Stockton, CA
Sacramento, CA
Los Angeles, CA
San Diego, CA
Denver, CO
New Haven, CT
Miami, FL
Atlanta, GA
Chicago, IL
Northern Indiana/Chicago, IL
Baltimore, MD
Boston, MA
Minneapolis-St. Paul, MN
St. Louis, MO
New Jersey/New York City
New York City, NY
Buffalo, NY
Charlotte, NC
Cleveland, OH
Portland, OR
Philadelphia, PA
Pittsburg, PA
Dallas-Fort Worth, TX
Austin, TX
Houston, TX
Salt Lake City, UT
Northern Virginia
Washington, D.C.
Seattle-Tacoma, WA

The sales tax is the most common source of local funding for transit systems nationwide. However, there are a myriad of national examples of other sources of revenue to fund transit. The following table lists the findings of the revenue sources by type (category) of funding mechanism.

Revenue yield reflects whether the funding source provided a significant level of revenues given the expenditures of the peer agencies. The expenditures required are in the context of regional transit and especially regional rail (i.e., major investment capital and operating expense). The implementation jurisdiction reflects the examples found in research. "Agency" indicates implementation of the revenue by the transit agency without additional governance authority. "Local option" reflects a funding mechanism that was authorized by local government(s). "State" indicates the tax or authority for the revenue source rests with the state government.

Findings of Peer Research on the Sources of Local Funds for Transit

Source of Revenue by Type	Revenue Yield	Implementation Jurisdiction Peer Experience
Transit-Generated Sources		
Fares	Varies depending on fare policy	Agency
Contract Services	Low	Agency
Lease Revenue	Low	Agency
Advertising Revenues	Low	Agency
Concession Revenues	Low	Agency
Donations	Low	Agency
General Revenues and Taxes		
General Revenues	High	State and Local Option
General sales and use tax	High	State and Local Option
Property Tax	High	State and Local Option
Income Taxes - Personal	High	State
Motor Fuels and Vehicle-Related Taxes and Fees		
Motor Fuels Taxes	High	State and Local Option
Motor Vehicle Sales Tax on Purchase	High	State
Motor Vehicle Use Taxes and Fees	High	State and Local Option
Car Rental Fees	Moderate	State and Local Option
Vehicle Lease Fees/Taxes	Moderate	State
Parking Fees	Low	Local Option and Agency
Tire Fee	Low	State
User or Market-Based Sources		
Tolls/User Charges	Varies depending on project	State and Local Option
Congestion Pricing	Varies	Local Option
Vehicle Miles Traveled (VMT) Fees	Research underway	No specific application
Emissions Fees	Moderate	No specific application

Source of Revenue by Type	Revenue Yield	Implementation Jurisdiction Peer Experience
Business Activities		
Employer/Payroll Taxes	High	State and Local Option
Gross Receipts Tax	High	State
Income Taxes – Corporate	High	State
Corporate Franchise Taxes	High	State and Local Option
Business License Fees	Moderate	No specific application
Utility Taxes/ Fees	Moderate	Local Option and Agency
Mortgage Recording Taxes/Realty Transfer Fees	Moderate	State and Local Option
Documentary Stamp Tax	Moderate	State
Room/Occupancy	Low	Local Option
Container Fees	Low	Local Option
Personal Activities		
Lottery Revenue, Gambling	Moderate	State
Cigarette Tax	Low	State
Liquor Tax	Low	Local Option
Revenue Streams from Transit Projects		
Transit Oriented Development/ Joint Development	Varies depending on project	Agency
Beneficiary Charges	Low	No specific application
Value Capture	Low	Agency
Impact Fees	Low	Local Option
Special Assessment Districts	Low	Local Option
Tax Increment Financing	Moderate	Local Option
Community Facility Districts	Low	Local Option
Right-of-Way Leases	Low	Agency
Air Rights	Low	Agency
Airport passenger facility charges	Low	Local Option

Sources: National Cooperative Highway Research Program. Future Financing Options to Meet Highway and Transit Needs. NCHRP Web-only Document # 102. December 2006;Cambridge Systematics, Inc. in unpublished research for the Transportation Cooperative Research Program, Project H-34- Local and Regional Funding Mechanisms for Public Transportation. 2008; and research by TTI, 2008.

Findings and Observations about Current Trends

The research about sources of local revenue to fund transit reveals the following findings and observations about current trends.

- Sales tax is most often reported as a source of local revenue for transit. As recently as November 2008, local agencies have gained voter approval of the sales tax as a new or additional source of revenue.
- Some regions authorize sales tax at different rates in local communities depending on the level of transit service to be funded.
- Sales tax referenda are often presented to voters to fund general transportation rather than a dedication of the tax to transit only. This provides more regional flexibility and also may improve the chances of voter approval.
- A regional motor fuels sales tax is authorized as a local option in Virginia. The funds generated are used by regional governments to fund transit including a subsidy for rail service to Washington, D.C. Florida permits a local option on the state excise tax on motor fuels to fund Tri-Rail in South Florida.
- Property taxes are often dedicated to debt service on bonds rather than general revenue for transit services.
- Motor vehicle use taxes and registration fees are the source of local revenues for transit in several states.
- Several regional agencies have implemented variations on taxes or fees for real estate transactions or instruments of indebtedness to fund commuter rail or regional transit investments.
- Mileage-based user fees (vehicle miles traveled fees) have generated a lot of interest but are not yet demonstrated in general application.
- Corporate business taxes are used to fund transit in New York and in New Jersey. Specific taxes are charged on petroleum businesses and certain transportation and transmission companies (long-line taxes).
- Bridge tolls have long been used to fund transit projects that expand capacity or mitigate congestion in New York and San Francisco. Recently, the tolls from turnpikes in Pennsylvania have been dedicated to the state's Public Transportation Trust Fund.
- Often, regional transit authorities use a combination of revenue sources to fund transit, rather than relying on one primary tax source.
- A joint powers agreement is the governance model for implementation of regional rail and commuter rail lines in California.
- Support from the state government is critical to funding local and regional transit in most states. Many states make significant investments of state revenues to support local and regional transit systems, typically for both operating and capital programs.
- States also create local option funding opportunities that permit local and regional agencies to leverage additional funds for transit if supported by local voters. Three examples of this type of state support for transit are reported in Washington State, Virginia, and Florida.

1.0 Introduction

The purpose of this project is to provide a comprehensive review of various funding methods used for regional transit in major metropolitan areas across the United States, with a particular focus on regional rail service.

One of the transportation challenges facing Texas is the identification of adequate funding for mobility projects. During the 80th Texas Legislature, several proposals were made to address mass transit funding for the metropolitan areas of the state. The chairman of the Texas Senate Committee on Transportation and Homeland Security requested the Texas Transportation Institute (TTI) to update previous research on national examples for funding regional transit and to provide additional information on regional rail projects. The research will assist members of the Senate Committee to consider and make decisions for funding mass transit in Texas.

The research for this study was conducted in two phases. The first phase was a literature search of reports and references that document the current status and trends in funding the nation's transportation systems, with particular emphasis on funding for transit. One of the primary sources of research material was the National Cooperative Highway Research Program (NCHRP) report for Project 20-24(49), *Future Financing Options to Meet Highway and Transit Needs*. *(1)* Another valuable reference was the annual *Survey of State Funding for Public Transportation 2007* by the U.S. Department of Transportation, Bureau of Transportation Statistics and sponsored by the American Association of State Highway and Transportation Officials (AASHTO) and the American Public Transportation Association (APTA). *(2)* Chapters 3.0 and 4.0 draw extensively from these two resources.

The second phase of the project was research for national examples of funding regional transit systems in major metropolitan areas. Regional transit is assumed to be public transportation services that extend beyond the jurisdictional limits of one primary city or urban area. The examples identified are major metropolitan areas and regional rail projects in the U.S. Research material was drawn primarily from published documents, websites, and telephone interviews of key staff with the transit agencies.

Findings for this research report are summarized in each of three chapters of the report that follow the introduction:

- **Chapter 2.0** summarizes the primary sources of federal funding for transit. The focus of this report is on state and local funding resources; however, a brief recitation of the federal funding programs for transit is provided for context and as a point of reference for other chapters of the report.
- **Chapter 3.0** provides information on state funding for transit. Information includes the sources, amounts, and eligible uses for funding by states that make a significant contribution to regional and local transit in major metropolitan areas.
- **Chapter 4.0** presents a description and categorization of the revenue sources currently used by local and regional agencies to fund transit. This chapter also includes profiles of 56 transit agencies in 32 metropolitan areas to document the sources of local revenues for transit.

The Appendix to this report provides profiles for 20 commuter rail projects in the U.S. The profiles describe additional background about the regional rail projects that are funded by the federal, state, and local revenues discussed in the body of the report.

2.0 Federal Funding for Transit

The purpose of this chapter of the report is to summarize the primary sources of federal funding for transit. The information presented here is intended to provide a point of reference for other chapters of the report that refer to federal transit funding programs. A brief background on national legislation is provided before descriptions of each major federal funding program for transit. Although federal programs also support public transportation in rural areas and fund alternative transportation for parks and public lands, the specific material presented here is about federal funding for transit in major metropolitan areas.

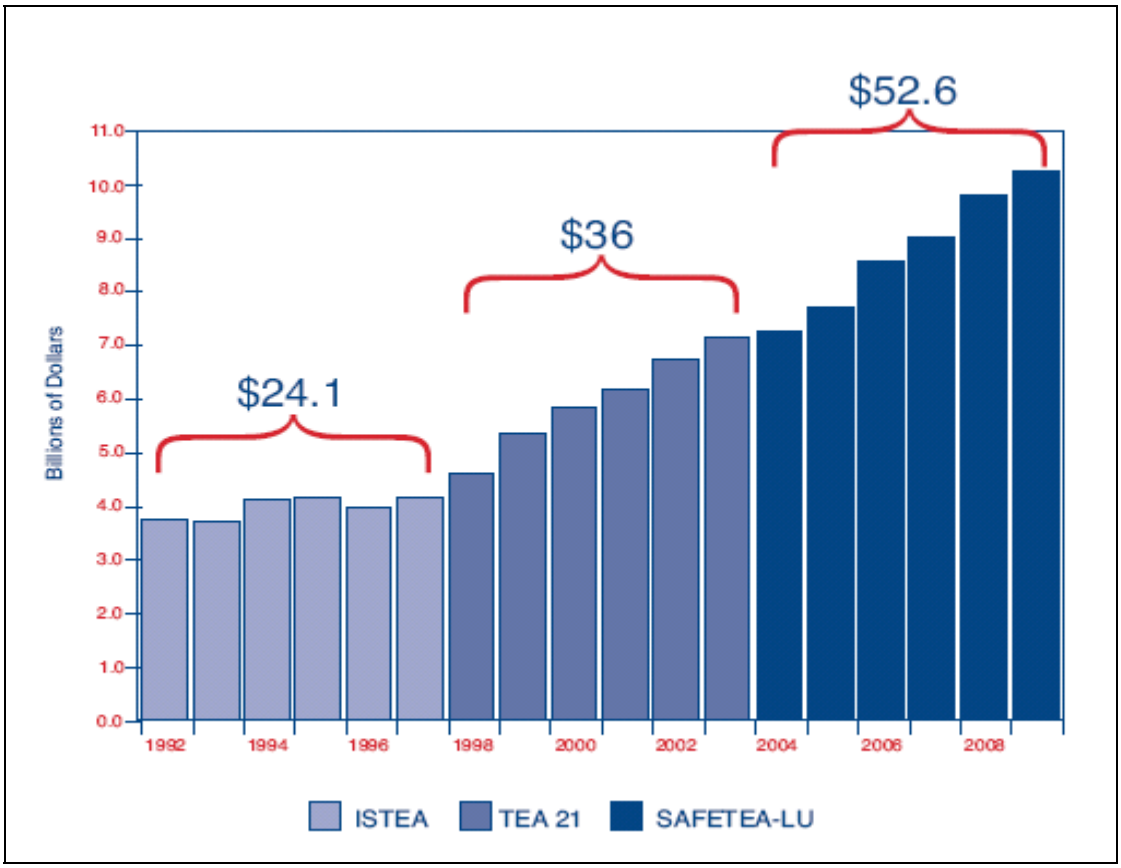
2.1 BACKGROUND

Federal funding for transportation comes primarily through the U.S. Department of Transportation (USDOT) and is administered by agencies according to mode of transportation. The agency responsible for transit funding is the Federal Transit Administration (FTA). The Federal Highway Administration (FHWA) also administers funding programs that can benefit transit.

The umbrella legislation known as the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 established many of the current major USDOT funding programs. ISTEA authorized funding levels and programs for transit and highway projects and institutionalized the ability to shift funds from one program to another depending upon local priorities. ISTEA expired at the end of fiscal 1997 and was replaced by new legislation. The Transportation Equity Act of the 21st Century (TEA-21) maintained the previously established programs, while generally raising the overall funding levels. TEA-21 was in effect for a six-year period, with specific spending levels established each year as part of the federal budgeting process.

In August 2005, President George W. Bush signed into law the Safe, Accountable, Flexible, and Efficiency Transportation Equity Act – A Legacy for Users (SAFETEA-LU) to fund federal surface transportation programs through fiscal 2009. The legislation authorized $286.4 billion in funding over six years (2004 through 2009), including $52.6 billion (18.6%) for federal transit programs. The funding authorization for transit under SAFETEA-LU represents a 46% increase over transit funding guaranteed in the previous TEA-21 authorization bill and more than double the funding provided in ISTEA.

Federal funding for transit 1992 – 2009 is illustrated in **Figure 1**.



Source: http://www.apta.com/government_affairs/safetea_lu/documents/brochure.pdf

Figure 1. Federal Funding for Transit, 1992-2009

SAFETEA-LU authorizes specific dollar amounts for each major funding program. Each year Congress provides an annual appropriation that funds the programs. Upon receiving this transit appropriation, FTA apportions and allocates these funds according to formulas and earmarks. FTA publishes notice of the apportionments annually in the *Federal Register*. *(3)*

Generally, FTA funds are available to designated recipients that must be public bodies (i.e., states, cities, towns, regional governments, transit authorities, etc.) with the legal authority to receive and dispense federal funds. The recipients of these grants are responsible for managing their projects in accordance with federal requirements. *(4, 5)*

2.2 SOURCE OF FEDERAL FUNDS FOR FTA

Federal funds for transit are appropriated from either the Highway Trust Fund or the general fund. Receipts for the Highway Trust Fund are derived from two main sources: federal excise taxes on motor fuels (gasoline, diesel, and special fuels taxes) and truck-related taxes (truck and trailer sales, truck tires, and heavy-vehicle use taxes). All tax revenues are deposited into the Highway Trust Fund and then distributed to one of two accounts: the Highway Account and the Mass Transit Account. Approximately 15% of revenues from the taxes on motor fuels go into the Mass Transit Account for FTA and the balance of taxes on motor fuels and all truck-related taxes go into the Highway Account for FHWA. *(6)*

The U.S. Department of the Treasury reports total receipts to the Highway Trust Fund. FHWA estimates payments into the Highway Account and the Mass Transit Account attributable to taxpayers in each state. According to FHWA, Texas contributed 8.6% of all Highway Trust Fund Receipts to the Mass Transit Account in 2006 (the most recent data published). In 2006, Texas taxpayers contributed $416,842,000 to the Mass Transit Account and received $337,039,000 in funding for FTA programs, representing 81% return of contributions.[3]

Under SAFETEA-LU, 82% of all funds authorized for FTA are from the Highway Trust Fund, Mass Transit Account. The remaining 18% of authorized funds are from the general fund of the U.S. Treasury. These data are summarized in **Table 1**. The Mass Transit Account is the principal source of funds for FTA formula programs and for the discretionary capital program for buses and bus facilities. General funds contribute to the discretionary capital program for New Starts, research programs and FTA administration.

Table 1. SAFETEA-LU Authorization Levels for FTA, 2005 through 2009

Source	2005	2006	2007	2008	2009	Total**	Percent
Mass Transit Account*	$6,691	$6,980	$7,263	$7,873	$8,361	$37,167	82%
General Fund	$956	$1,643	$1,712	$1,858	$1,978	$8,146	18%
TOTAL	**$7,646**	**$8,623**	**$8,975**	**$9,731**	**$10,338**	**$45,313**	

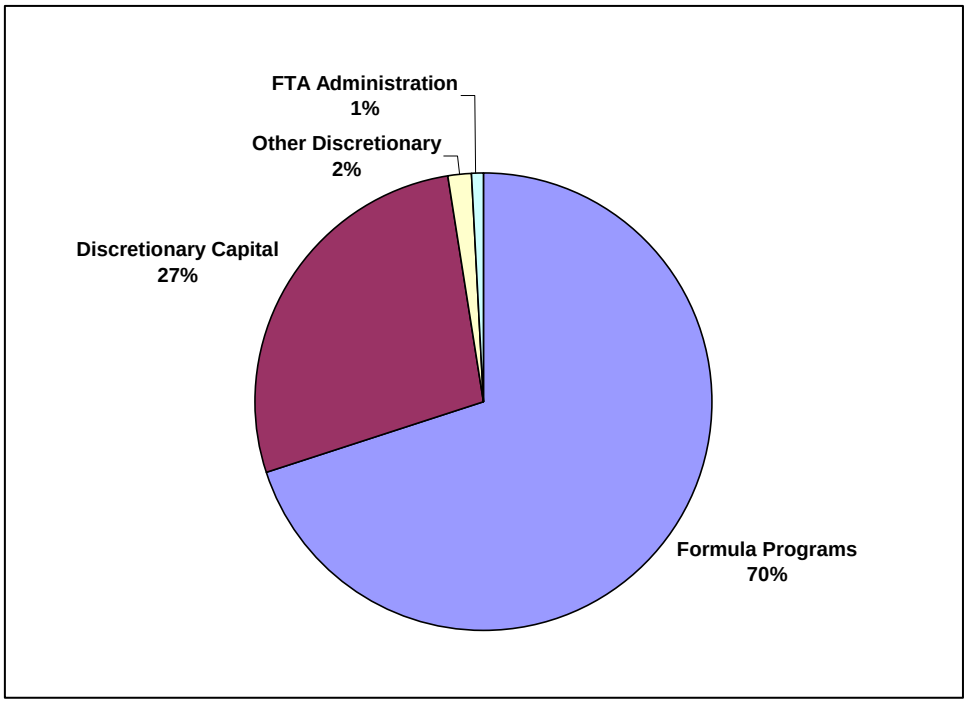
Source: http://www.fta.dot.gov/documents/SAFETEA-LU_Funding_by_Program_by_Year.pdf
** Highway Trust Fund, Mass Transit Account*
*** Total does not include authorization for fiscal 2004 of $7,309 million*

Each year Congress appropriates funds to FTA for transit programs, and FTA awards grants to eligible recipients to meet the goals of that program. The Congressional appropriation for FTA in fiscal 2008 was $9.6 billion.[4] *(3, 6)* Additional detail about each program in included in the next section of this chapter.

[3] In 2006, Texas highway users contributed $2,955 million to the Highway Account and received $2,824 million in apportionments and allotments from FHWA, a 96% return on contribution for highways.
[4] The SAFETEA-LU authorization for transit in fiscal 2008 was $9.73 billion. The Congressional appropriation for FTA was $9.6 billion. The total value of FTA apportionments announced in the January 2008 *Federal Register* was $9.4 billion. The appropriated funds not included in the apportionments announced in the January 2008 *Federal Register* were $235.9 million in discretionary funds (Section 5309 and Section 5339) awarded by FTA in a subsequent announcement in February 2008.

2.3 FTA FUNDING PROGRAMS

FTA programs can be generally described as either formula programs apportioned to urbanized areas and states or discretionary programs. Discretionary funds are designated for specific projects or recipients as defined by Congress or distributed for specific projects according to criteria defined by FTA. The distribution of funds by type of program is illustrated in **Figure 2**.



Source: FTA

Figure 2. Distribution of FTA Funds by Formula and Discretionary Programs, 2008

Formula Funding Programs

There are 10 FTA funding programs that are apportioned to urbanized areas or states by specific formula. These formula programs represent $6.8 billion or about 70% of the Congressional appropriation to FTA in fiscal 2008. *(3)* Each program is typically identified by a name and/or a section number of Title 49 of the United States Code – for example, the "Urbanized Area Formula Program" or "Section 5307" grant program (49 U.S.C. 5307). The formula programs, listed in order of the dollar value appropriated for the program in 2008, are as follows.

- Section 5307 Urbanized Area Formula $3,910,843,000
- Section 5309 Fixed Guideway Modernization $1,570,000,000
- Section 5340 Growing States and High Density States $ 438,000,000
- Section 5311 Non-urbanized Area Formula $ 417,240,000
- Section 5316 Job Access and Reverse Commute (JARC) $ 156,000,000

- Section 5310 Special Needs of Elderly Individuals and Individuals with Disabilities $ 127,000,000
- Section 5303 Metropolitan Transportation Planning $ 88,510,400
- Section 5317 New Freedom $ 87,500,000
- Section 5304 Statewide Transportation Planning $ 18,489,600
- Section 5311 (b)(3) Rural Transit Assistance $ 8,760,000
- Total Formula Funds $6,822,343,000

A description of each of the formula programs is presented below.

Section 5307 Urbanized Area Formula Program (49 U.S.C. 5307)

The largest FTA funding program is the Section 5307 Urbanized Area Formula Program. The federal appropriation for fiscal 2008 was $3.91 billion, representing 57% of all formula funding. Section 5307 authorizes federal capital and, in some cases, operating assistance for transit in urbanized areas (UZA). A UZA is an area with a population of 50,000 or more that has been defined as such in the most recent decennial census (2000) by the U.S. Department of Commerce, Bureau of the Census.

FTA apportions Section 5307 based on legislative formulas. Different formulas apply to UZAs with a population of less than 200,000 (small UZA or small urban area) and to UZAs with a population of 200,000 or more (large UZA or large urban area).

For the small UZAs with a population less than 200,000, the formula is based solely on population and population density. One percent of Section 5307 funds are set aside for Small Transit Intensive Cities. FTA apportions these funds to UZAs with a population less than 200,000 that operate at a level of service equal to or above the industry average level of service for all UZAs with a population of at least 200,000 but not more than 999,999. The funds are allocated based on level of service and performance in one or more of six categories: passenger miles per vehicle revenue mile, passenger miles per vehicle revenue hour, vehicle revenue miles per capita, vehicle revenue hours per capita, passenger miles per capita, and passenger trips per capita.

For urbanized areas with a population less than 200,000, Section 5307 funds are apportioned to the governor of each state for distribution. The governor or designee may determine the sub-allocation of funds among the small UZAs or elect to obligate the funds in the amounts based on the legislative formula.[5] A few areas under 200,000 in population have been designated as transportation management areas and receive apportionments directly.

For UZAs with a population of 200,000 or more, the Section 5307 formula is based on bus vehicle revenue miles, as well as population and population density. An incentive payment is based on bus passenger miles divided by operating costs. An agency that provides transit using fixed guideway is eligible for additional formula funds based on fixed guideway vehicle revenue

[5] In Texas, the Governor has designated the Texas Transportation Commission as responsible for the allocation of small urban funds. The policy of the Commission is to allocate to each small urban area the amount originally apportioned by FTA formula.

miles and fixed guideway route miles. An incentive payment is based on fixed guideway passenger miles divided by operating costs. Funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive federal funds.

Eligible purposes for use of Section 5307 funds include planning, engineering design, and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment, and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act (ADA) complementary paratransit service costs are considered capital costs. For most projects, federal funds can be used to fund up to 80% of project cost. The federal contribution may be 90% for some projects that support ADA or the Clean Air Act.

Small UZAs with a population of less than 200,000 may also use Section 5307 funds for operating assistance up to 50% of the operating deficit (operating expenses less fare revenue). For urbanized areas with populations of 200,000 or more, operating assistance is not an eligible expense. Urbanized areas that reach or exceed the 200,000 population threshold for the first time after the most recent decennial census are provided a transition period of several years to eliminate the use of Section 5307 for operating assistance.

In urban areas with a population 200,000 or more, at least 1% of the funding apportioned to each area must be used for transit enhancement activities such as historic preservation, landscaping, public art, pedestrian access, bicycle access, and enhanced access for persons with disabilities.

Section 5309 Capital Program – Fixed Guideway Modernization (49 U.S.C. 5309)

Funds for the Capital Investment Program – Fixed Guideway Modernization must be used for capital projects to maintain, modernize, or improve fixed guideway systems. The federal appropriation for fiscal 2008 was $1.57 billion, or about 23% of all formula funding. A “fixed guideway” refers to any transit service that uses exclusive or controlled rights of way or rails, entirely or in part. The term includes heavy rail, commuter rail, light rail, monorail, trolleybus, aerial tramway, inclined plane, cable car, automated guideway transit, ferryboats, that portion of motor bus service operated on exclusive or controlled rights-of-way, and high-occupancy vehicle (HOV) lanes. Eligible UZAs are those with a population of 200,000 or more with fixed guideway systems that are at least seven years old. There is a threshold requirement for a minimum of one mile of fixed guideway. Eligible applicants are the public transit agencies in those urbanized areas to which the funds are allocated.

Funds are allocated by a statutory formula to UZAs with fixed guideway systems that have been in operation for at least seven years. The formula for allocating funds for this program contains seven tiers. The apportionment of funding for certain areas is specified in law. For other urbanized areas, funding is apportioned based on the latest available data on route miles and revenue vehicle miles on fixed guideway segments at least seven years old.

Section 5340 Growing States and High-Density States Formula Program (49 U.S.C. 5340)

FTA also apportions funds based upon Section 5340 Growing States and High-Density States formula factors. The Section 5340 funds appropriated in fiscal 2008 were $438 million, representing about 6% of all formula funding. Under the Section 5340 formula, half of the funds are made available under the Growing States factors and are apportioned based on state population forecasts for 15 years beyond the most recent decennial census. Amounts apportioned for each state are then allocated to urbanized and rural areas based on the state's urban/rural population ratio. The High-Density States factors distribute the other half of the funds to states with population densities greater than 370 people per square mile.[6] These funds are apportioned only to urbanized areas within those states.

Section 5311 Non-urbanized Area Formula Program (49 U.S.C. 5311)

The Section 5311 Non-urbanized Area (rural) program provides formula funding to states for the purpose of supporting public transportation in rural areas with a population of less than 50,000. In fiscal 2008, Congress appropriated more than $417 million for transit in rural areas, or about 6% of all formula funding. Eighty percent of the statutory formula is based on the rural population of the states. Twenty percent of the formula is based on land area. No state may receive more than 5% of the amount apportioned for land area. In addition, FTA adds amounts apportioned according to the Growing States formula factors to rural areas. Each state prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the state and must provide for maximum feasible coordination with transportation services assisted by other federal sources.

The FTA goals for the non-urbanized formula program are:

1) to enhance the access of people in non-urbanized areas to health care, shopping, education, employment, pubic services, and recreation;
2) to assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas;
3) to encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in non-urbanized areas through the coordination of programs and services;
4) to assist in the development and support of intercity bus transportation; and
5) to provide for the participation of private transportation providers in non-urbanized transportation to the maximum extent feasible.

Funds may be used for capital, operating, and administrative assistance to state agencies, local public bodies, nonprofit organizations, and operators of public transportation services. The maximum federal share for capital and project administration is 80%. Projects to meet the requirements of the ADA, the Clean Air Act, or bicycle access projects, may be funded at 90% federal contribution. The maximum FTA contribution for operating assistance is 50% of the net operating costs. Local share may be provided from state or local funding sources.

Fifteen percent of the Section 5311 funds in each state are made available for improvement of intercity bus services, also known as the Section 5311(f) program. The funds are to be used for

[6] Texas does not receive funds in the category for High Density States.

planning, infrastructure, and operating needs related to the linkage of cities through intercity bus carriers unless the chief executive officer of the state certifies that the intercity bus service needs of the state are being met adequately. If all funds are not obligated to intercity bus improvements, the funds may revert to the general Section 5311 program for public transportation in rural areas.

Section 5316 Job Access and Reverse Commute (49 U.S.C. 5310)

The Job Access and Reverse Commute (JARC) program addresses the unique transportation challenges faced by low-income persons seeking to get and keep jobs. JARC funding is allocated by formula to states for areas with population below 200,000 persons and to designated recipients for areas with population of 200,000 persons or more. In fiscal 2008, Congress appropriated $156 million for JARC grants, about 2% of all formula funding. The funds are allocated based on the low-income population in urbanized and rural areas. The formula-based program is intended to provide an equitable funding distribution to states and communities as well as stable and reliable funding in order to implement locally developed, coordinated public transit-human services transportation plans.

Section 5310 Special Needs of Elderly Individuals and Individuals with Disabilities Program (49 U.S.C. 5310)

Section 5310 provides formula funding to states for the purpose of assisting private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. Funds are apportioned based on each state's share of population for these groups of people. The federal appropriation for fiscal 2008 was $127 million, less than 2% of all formula funding.

Capital projects are eligible for funding. Most funds are used to purchase vehicles or provide preventive maintenance for transit fleets, but acquisition of transportation services under contract, lease or other arrangements and state program administration are also eligible expenses. The maximum federal share is 80%. Local share may be provided from state or local funding sources.

Section 5303 Metropolitan Transportation Planning (49 U.S.C. 5303)

Congress appropriates federal funding to support a cooperative, continuous, and comprehensive planning program for transportation investment decision-making at the metropolitan area level. State departments of transportation are direct recipients of funds, which are then allocated to metropolitan planning organizations (MPOs) by formula for planning activities. The total amount appropriated by Congress for fiscal 2008 was $88.5 million, about 1% of all formula funding.

Eighty percent of funds are allocated to the states as a basic allocation according to each state's UZA population for the most recent decennial census. The remaining 20% is provided to the states as supplemental allocation based on an FTA administrative formula to address planning needs in the larger, more complex UZAs. Generally funds require a 20% local match, although FTA planning funds can be awarded as a consolidated planning grant with FHWA which permits a 10% local match.

Section 5317 New Freedom Program (49 U.S.C. 5317)

The New Freedom Program is a new category of funds introduced in SAFETEA-LU. The federal appropriation was $87.5 million for fiscal 2008, about 1% of all formula funding. The purpose of these funds is for public transportation projects that provide new public transportation services and public transportation alternatives beyond those currently required by ADA. The funds are to be used to assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

New Freedom Program funds are allocated through a formula based upon population of persons with disabilities. Allocations are made to designated recipients in areas with a population of 200,000 or more and to states for areas under 200,000 population and non-urbanized areas. States and designated recipients must select grantees competitively. Eligible recipients include local governmental authorities, private nonprofit organizations, operators of public transportation services, and private for-profit operators of public transportation services. Matching share requirements are flexible to encourage coordination with other federal programs that may provide transportation, such as programs sponsored by the departments of Health and Human Services or Agriculture. Projects must be included in a locally developed human service transportation coordinated plan.

Section 5304 Statewide Transportation Planning (49 U.S.C. 5304)

The Section 5304 program provides financial assistance to states for statewide transportation planning and other technical assistance activities (including supplementing the technical assistance program provided through the Section 5303 Metropolitan Planning Program). The federal appropriation for fiscal 2008 was $18.5 million, about 0.3% of all formula funding. FTA apportions the funds to states by a statutory formula that is based on each state's UZA population as compared to the UZA population of all states according to the most recent decennial census.

Section 5311(b) (3) Rural Transit Assistance Program [49 U.S.C. 5311(b) (3)]

The Rural Transit Assistance Program (RTAP) provides funding to assist in the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in non-urbanized areas. The federal appropriation in fiscal 2008 was $8.8 million, about 0.1% of all formula funding. FTA allocates $65,000 to each state and then allocates the balance of funds based on an administrative formula using the non-urbanized population according to the most recent decennial census.

Summary of FTA Formula Funding by Urbanized Area for 2008

Designated recipients in Texas receive funds each year from the FTA apportionments for all transit funding programs. Recipients from Texas received 2.9% of all FTA apportionments in 2006 and 3.48% of all FTA apportionments in 2008.

Table 2 provides the formula funds apportioned to urbanized areas in 2008 for each metropolitan area with a UZA population of 1,000,000 or more ("very large" urban area) as of Census 2000. The formula funding programs included in **Table 2** are Section 5307 Urbanized Area, Section 5340 Growing States and High Density States, Section 5309 Fixed Guideway Modernization, Section 5316 JARC, and Section 5317 New Freedom. In accordance with language in the

SAFETEA-LU conference report, an urbanized area's apportionment for Section 5307 and Section 5340 are combined to show a single amount.

Table 2 also includes comparable data for Austin, El Paso, Corpus Christi, McAllen-Hidalgo County, Denton-Lewisville, and Lubbock urbanized areas. These are the urbanized areas in Texas with a population as of the 2000 Census of 200,000 to 999,999 ("large" urban areas).

Table 2. Federal Formula Funds Apportioned to Urban Areas, 2008

Urban Area	5307 & 5340 Urban Area	5309-Fixed Guideway	5316 JARC	5317 New Freedom	Total Formula
Very Large Urban Areas (Population 1,000,000 or more)					
New York, NY-NJ-CT	$831,196,068	$439,275,949	$10,337,593	$6,174,341	$1,286,983,951
Chicago, IL-IN	$235,016,015	$166,374,368	$4,040,150	$2,464,753	$407,895,286
Los Angeles-Long Beach, CA	$275,270,150	$54,963,805	$9,145,710	$3,909,408	$343,289,073
Washington, DC-VA-MD	$151,201,836	$99,138,427	$1,361,243	$995,163	$252,696,669
Philadelphia, PA-NJ-DE	$137,525,448	$107,953,681	$2,486,346	$1,621,772	$249,587,247
Boston, MA-NH-RI	$137,359,963	$87,431,658	$1,568,925	$1,213,817	$227,574,363
San Francisco-Oakland, CA	$126,592,170	$85,040,842	$1,428,014	$1,026,459	$214,087,485
Miami, FL	$99,987,166	$26,697,254	$3,195,924	$1,812,295	$131,692,639
Seattle, WA	$88,702,272	$38,294,073	$1,098,266	$776,717	$128,871,328
Atlanta, GA	$62,936,680	$33,067,494	$1,533,655	$960,308	$98,498,137
Baltimore, MD	$54,678,190	$35,458,028	$994,653	$686,430	$91,817,301
Houston, TX	**$64,419,001**	**$10,204,605**	**$2,541,879**	**$1,143,418**	**$78,308,903**
San Diego, CA	$56,511,482	$19,383,452	$1,599,930	$782,442	$78,277,306
Dallas-Ft Worth-Arlington, TX	**$63,106,691**	**$9,761,069**	**$2,269,598**	**$1,224,858**	**$76,362,216**
Minneapolis-St. Paul, MN	$48,055,945	$11,054,752	$815,163	$566,502	$60,492,362
Pittsburgh, PA	$35,115,730	$22,078,732	$862,302	$537,753	$58,594,517
San Jose, CA	$39,215,456	$18,411,640	$527,163	$431,494	$58,585,753
Phoenix, AZ	$46,102,262	$3,560,398	$1,641,374	$882,893	$52,186,927
Denver, CO	$43,172,180	$7,366,426	$797,623	$548,970	$51,885,199
Portland, OR-WA	$35,910,049	$9,383,075	$744,409	$455,925	$46,493,458
Detroit, MI	$41,628,451	$860,034	$1,924,064	$1,287,647	$45,700,196
Cleveland, OH	$29,071,296	$13,744,587	$887,771	$557,899	$44,261,553
San Juan, PR	$34,073,462	$3,149,987	$3,626,498	$980,013	$41,829,960
St. Louis, MO-IL	$31,484,525	$4,845,312	$974,557	$615,455	$37,919,849
Providence, RI-MA	$32,293,517	$3,055,747	$628,467	$411,763	$36,389,494
Riverside-San Bernadino, CA	$26,039,288	$5,344,053	$1,171,104	$488,267	$33,042,712
Sacramento, CA	$21,382,291	$4,562,242	$840,084	$456,947	$27,241,564
Tampa-St. Petersburg, FL	$23,483,183	$173,521	$1,116,859	$810,746	$25,584,309
Las Vegas, NV	$24,132,550	$0	$697,802	$461,314	$25,291,666
San Antonio, TX	**$22,231,414**	**$0**	**$982,995**	**$452,883**	**$23,667,292**
Milwaukee, WI	$20,644,976	$361,884	$669,585	$382,608	$22,059,053
New Orleans, LA	$17,350,348	$3,480,806	$853,144	$373,817	$22,058,115
Virginia Beach, VA	$17,649,775	$1,550,919	$705,098	$404,827	$20,310,619
Orlando, FL	$18,758,250	$221,138	$627,350	$379,497	$19,986,235
Cinncinati, OH-IN-KY	$18,161,896	$0	$661,393	$434,958	$19,258,247
Kansas City, MO-KS	$14,313,374	$41,964	$594,424	$402,807	$15,352,569
Columbus, OH	$11,549,641	$0	$557,107	$310,480	$12,417,228
Indianapolis, IN	$11,392,363	$0	$528,627	$372,501	$12,293,491
Large Urban Areas (Population 200,000 to 999,999) in Texas					
Austin, TX	**$17,466,164**	**$0**	**$463,727**	**$214,792**	**$18,144,683**
El Paso, TX	**$10,351,056**	**$0**	**$703,165**	**$210,300**	**$11,264,521**
Corpus Christi, TX	**$4,556,255**	**$0**	**$228,973**	**$100,328**	**$4,885,556**
McAllen/Hidalgo County, TX	**$3,327,523**	**$0**	**$762,205**	**$176,870**	**$4,266,598**
Lubbock, TX	**$2,699,086**	**$0**	**$163,461**	**$64,291**	**$2,926,838**
Denton-Lewisville, TX	**$2,762,085**	**$0**	**$95,126**	**$56,358**	**$2,913,569**

Source: FTA Fiscal year 2008 Apportionments, Federal Register, January 28, 2008

Discretionary Funding Programs

There are eight FTA programs that are based on discretionary funding. Discretionary programs represent $2.8 billion or 29% of the FTA appropriation in fiscal 2008. *(3)* The discretionary programs, listed in order of the dollar value appropriated for the program in 2008, are as follows:[7]

Capital Discretionary

• Section 5309 New Starts	$1,700,000,000
• Section 5309 Bus and Bus Facility Program	$ 927,750,000
• Total Capital Discretionary Funds	$2,627,750,000

Other Discretionary

• Section 5314 National Research Program	$ 65,500,000
• Section 5308 Clean Fuels Grant Program	$ 49,000,000
• Section 5320 Alternative Transportation in Parks and Public Lands	$ 25,000,000
• Section 5339 Alternative Analysis Program	$ 25,000,000
• Section 5311(c) (1) Public Transportation Indian Reservations	$ 12,000,000
• Over-the-Road Bus Accessibility Program	$ 8,300,000
• Total Other Discretionary Funds	$ 159,800,000

A description of each of the programs is presented below.

Section 5309 Capital Program – New Starts (49 U.S.C. 5309)

The New Starts program provides funds for projects to construct light rail, heavy rail, commuter rail, automated fixed guideway (such as a "people mover"), bus rapid transit, busway/HOV facility, or an extension of any of these. Also, New Start projects can involve the development of transit corridors and markets to support the eventual construction of fixed guideway systems, including the construction of park-and-ride lots and the purchase of land to protect right-of-ways. Projects become candidates for funding under this program by successfully completing the appropriate steps in the major capital investment planning and project development process. The federal appropriation for New Starts in fiscal 2008 was $1.57 billion.

Major new fixed guideway projects, or extension to existing systems financed with New Starts funds, typically receive these funds through a full funding grant agreement that defines the scope of the project and specifies the total multi-year federal commitment to the project. The statutory match for New Starts funding is 80% federal, 20% local share. However, FTA continues to encourage project sponsors to request a federal New Starts funding share that is as low as possible, and full funding grant agreements often reflect 50% federal, 50% local share.

[7] Not included are $3.5 million for the National Transit Database and $92.5 million for FTA administration.

Section 5309 Capital Program – Bus and Bus Facility (49 U.S.C. 5309)

Funds for the Capital Investment Program (49 U.S.C. 5309) – Bus and Bus Facilities provides capital assistance for new and replacement buses and related equipment and facilities. The federal appropriation for fiscal 2008 was $823 million. Eligible capital projects include the purchase of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventive maintenance, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers and shop and garage equipment.

Section 5309 Bus and Bus Facility funds are allocated on a discretionary basis. Eligible recipients for capital investment funds are public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and agencies comprised of one or more states; and certain public corporations, boards and commissions established under state law. Prior to SAFETEA–LU, private non-profit entities could receive FTA funds only if they were selected by a public authority through a competitive process, and private operators were not eligible sub-recipients. Under SAFETEA-LU, private companies engaged in public transportation and private non-profit organizations are eligible sub-recipients of FTA grants. Private operators may now receive FTA funds as a pass-through without competition if they are included in a program of projects submitted by the designated public authority acting as the direct recipient of a grant.

The FTA has the discretion to allocate funds, although Congress often fully earmarks all available funding. The maximum federal share for a discretionary grant is 80%, although recent FTA practice is to award funds that represent a lower federal share and higher state and local contribution.

Section 5314 National Research Program (49 U.S.C. 5314)

FTA's National Research Programs include the National Research and Technology Program (NRTP), the Transit Cooperative Research Program (TCRP), the National Transit Institute (NTI), and the University Transportation Centers Program (UTC). The federal appropriation for the National Research Programs was $65.4 million in fiscal 2008.

Clean Fuels Grant Program (49 U.S.C. 5308)

In 1998, TEA-21 established the Clean Fuels Grant Program. The program was developed to assist non-attainment and maintenance areas in achieving or maintaining the National Ambient Air Quality Standards for ozone and carbon monoxide (CO). Additionally, the program supports emerging clean fuel and advanced propulsion technologies for transit buses and markets for those technologies. Although the program was authorized as a formula grant program from its inception, Congress did not fund the program in annual appropriations. SAFETEA-LU changed the grant program from a formula-based to a discretionary grant program (49 U.S.C. 5308). The program, however, retains its initial purpose. In fiscal 2008, Congress appropriated $49 million for the Clean Fuels Grant Program.

The Clean Fuels Grant Program is available to an entity designated to receive federal urbanized formula funds under Section 5307, in accordance with the applicable metropolitan and statewide transportation planning processes. SAFETEA-LU amended the term "recipient" to now include smaller urbanized areas with populations of less than 200,000. All recipients must meet one of the following criteria: (1) be designated as an ozone or CO non-attainment area or (2) be designated as a maintenance area for ozone or CO.

Eligible activities include purchasing or leasing clean fuel buses and constructing new or improving existing facilities to accommodate clean fuel buses. The federal share for eligible activities undertaken for the purpose of complying with or maintaining compliance with the Clean Air Act under this program is limited to 90% of the net (incremental) cost of the activity. The FTA administrator may exercise discretion and determine the percent of the federal share for eligible activities to be less than 90%. Funding for clean diesel buses is limited to not more than 25% of the amount made available each fiscal year to carry out the program.

5320 Alternative Transportation in Parks and Public Lands (49 U.S.C. 5320)

The Alternative Transportation in Parks and Public Lands program is administered by FTA in partnership with the U.S. Department of the Interior and the U.S. Department of Agriculture's Forest Service. The program funds capital and planning expenses for alternative transportation systems such as buses and trams in federally managed parks and public lands. The federal appropriation for the program was $25 million in fiscal 2008.

5339 Alternatives Analysis (49 U.S.C. 5339)

The Alternatives Analysis Program provides grants to states, authorities of states, MPOs, and local government authorities to develop studies as part of the transportation planning process. The federal appropriation for Alternatives Analysis was $24.7 million in fiscal 2008. These studies include assessments of a wide range of public transportation alternatives designed to address a transportation problem in a corridor or subarea. The federal share may not exceed 80% of the cost of the activity.

5311(c) (1) Public Transportation on Indian Reservation Program (49 U.S.C. 5311(c) (1))

FTA refers to 5311(c) (1) as the Tribal Transit Program. The 2008 funds of $12 million are drawn from the Section 5311 Non-urbanized Area Program. The funds are to be apportioned for grants to Indian tribes for any purpose eligible under Section 5311 which includes capital, operating, planning, and administrative assistance for rural public transit services and rural intercity bus service. The funds are not meant to replace or reduce funds that Indian tribes receive through the Section 5311 program but are to be used to enhance public transportation on Indian reservations and transit serving tribal communities.

Over-the-Road Bus Accessibility Program (49 U.S.C. 5310 Note)

The Over-the-Road Bus (OTRB) Accessibility Program was authorized under TEA-21 and amended by SAFETEA-LU. OTRBs are used in intercity fixed-route service as well as other services, such as commuter, charter, and tour bus services. The OTRB Accessibility Program is intended to assist OTRB operators in complying with the OTRB accessibility regulation, "Transportation for Individuals with Disabilities'' (49 CFR Part 37, Subpart H).

Capital projects eligible for funding include adding lifts and other accessibility components to new vehicle purchases and purchasing lifts and associated components to retrofit existing vehicles. Eligible training costs include developing training materials or providing training for local providers of over-the-road bus services. This funding is provided on a national competitive basis. The federal share is 90%, and the local share is 10%. Funding is available to private operators of over-the-road buses. The total amount appropriated for fiscal 2008 was $8.3 million.

2.4 OTHER MAJOR SOURCES OF FEDERAL FUNDING FOR TRANSIT

In addition to FTA grant programs, there are other sources of funding for transit from a variety of federal agencies. In most cases other sources of funding for transit are available only to the extent that transportation is supportive of the primary purpose of the federal agency. However, the FHWA does administer programs that provide the flexibility to transfer funds to FTA for transit projects. Four programs are highlighted below.

Surface Transportation Program (23 U.S.C. 133)

The Surface Transportation Program (STP) provides the greatest flexibility in the use of funds. These funds may be used (as capital funding) for public transportation capital improvements, carpool and vanpool projects, fringe and corridor parking facilities, bicycle and pedestrian facilities, and intercity or intracity bus terminals and bus facilities. As funding for planning, these funds can be used for surface transportation planning activities, wetland mitigation, transit research and development, and environmental analysis. Other eligible projects under STP include transit safety improvements and most transportation control measures.

STP funds are distributed among various population and programmatic categories within a state. Some program funds are made available to metropolitan planning areas containing urbanized areas over 200,000 population; STP funds are also set aside to areas with a population under 200,000 (small urban areas) and under 50,000 (rural). STP funds are programmed typically by the local MPO.

Congestion Mitigation and Air Quality Improvement Program (23 U.S.C. 149)

Under the Clean Air Act as Amended in 1990 (Clean Air Act), urbanized areas are classified by the Environmental Protection Agency (EPA) as non-attainment areas if air pollution levels exceed the national Ambient Air Quality Standards on a continual basis. Depending upon the level of pollution and the frequency the standards are exceeded, urbanized areas are classified according to increasing pollution levels as either marginal, moderate, serious, severe, or extreme, with marginal being the lowest level of pollution and extreme being the highest. Cities meeting the standard, but with concern that the standards may be exceeded, are classified as maintenance areas. Vehicle emissions are significant contributors to the ozone pollution. Vehicle emissions increase with traffic congestion and the number of vehicle trips and vehicle miles traveled.

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) has the objective of improving the nation's air quality and managing traffic congestion. CMAQ projects and programs are often innovative solutions to common mobility problems and are driven by Clean Air Act mandates to attain national ambient air quality standards. Eligible activities under CMAQ include transit system capital expansion and improvements that are projected to realize

an increase in ridership; projects to demonstrate travel demand management strategies and shared ride services; pedestrian and bicycle facilities and promotional activities that encourage bicycle commuting. Programs and projects are funded in air quality non-attainment and maintenance areas for ozone, CO, and small particulate matter (PM-10) that reduce transportation-related emissions.

CMAQ funds are distributed according to a formula based on population and severity of pollution. The federal share can fund up to 90% of transit vehicle-related equipment attributable to compliance with the Clean Air Act, up to 80% of other capital projects, and 80% of the operations costs for demonstration of services. Demonstration projects can be funded for up to three years.

Transportation and Community and System Preservation (TCSP) Program

TEA-21 established an FHWA program "to investigate and address the relationships between transportation and community and system preservation and identify private sector-based initiatives." SAFETEA-LU continues the program with funding levels of $25 million annually. Eligible recipients are local governments, MPOs, and transit agencies.

The purposes of the TCSP program are to improve transportation efficiency; reduce transportation's environmental impacts; reduce the need for future investments in infrastructure; provide access to jobs; and encourage private sector development that supports these initiatives. The program includes a research program to investigate these relationships; funds to integrate transportation and community and system preservation plans and practices; and funds to address transportation efficiency and community system preservation.

Two types of grants are awarded through this program: planning and implementation. Planning grants are designed to research, plan, and develop strategies to meet the purposes of the TCSP. Priority for planning grants is given to applicants that demonstrate a commitment of non-federal resources to the proposal, including involvement of non-traditional partners. Implementation grants are designed to carry out projects that meet the purposes of the TCSP. Priority for implementation grants is given to applicants that promote cost-effective and strategic investments in transportation infrastructure that minimize adverse impacts of the environment and promote innovative private sector strategies.

There is no local share requirement under this program. Activities are eligible for full federal funding. The TCSP program research and grant components require dedication of a portion of the awarded funds toward an evaluation component for the program.

National Highway System

The National Highway System (NHS), established in 1995, provides funding for a wide range of transportation activities (23 U.S.C. 103(b)). Eligible transit projects under the NHS program include fringe and corridor parking facilities, bicycle and pedestrian facilities, carpool and vanpool projects, and public transportation facilities in NHS corridors, where they would be cost-effective and improve the level of service on a particular NHS limited access facility.

3.0 State Funding for Transit

Forty-seven of 50 states and the District of Columbia (Washington, D.C.) provided state funding to support transit in 2006. This chapter of the report provides summary information on state funding sources, amounts, and eligible uses of the funds. Specific profiles are presented for selected states.

Data for this chapter of the report are drawn from the annual report for the *Survey of State Funding for Public Transportation 2007* conducted by the U.S. Department of Transportation Bureau of Transportation Statistics and sponsored AASHTO and APTA. *(2)*The 2007 survey results reflect fiscal year 2006 data.[8]

3.1 OVERVIEW STATE FUNDING FOR TRANSIT

Table 3 presents the data to illustrate state funding of public transit by state for 2005 and 2006. State funds increased more than 16% from $9.5 billion in 2005 to $11.1 billion in 2006. Twenty-eight states increased public transit funding in 2006, 10 states did not change funding levels, and 13 states decreased funding. Of the 10 states that did not change funding levels, three states did not fund transit at any level in either year (Alabama, Hawaii, and Utah).

The state that reported the largest total dollar increase in funding for public transit from 2005 to 2006 was California, an increase of more than $800 million. New Mexico reported the largest percent increase in state funding, almost 1200% increase from less than $3 million to over $35 million.

[8] The latest annual report for the *Survey of State Funding for Public Transportation 2007* was published by AASHTO in February 2008. The survey was conducted in 2007 by the U.S. Department of Transportation, Bureau of Transportation Statistics to collect data that reflect fiscal 2006 state funding. The next report on the survey conducted in 2008 for data to reflect fiscal 2007 state funding is pending publication.

Table 3. State Funding for Transit, 2005 and 2006

State	2005	2006	Change	Increase	No Change	Decrease
Alabama	$0	$0	$0		N/C	
Alaska	$59,850,000	$80,830,400	$20,980,400	35%		
Arizona	$20,068,000	$18,042,000	($2,026,000)			-10%
Arkansas	$2,800,000	$3,277,637	$477,637	17%		
California	$1,399,800,143	$2,208,814,477	$809,014,334	58%		
Colorado	$0	$21,800,000	$21,800,000	100%		
Connecticut	$206,440,541	$225,605,428	$19,164,887	9%		
Delaware	$72,600,000	$67,180,200	($5,419,800)			-7%
D.C.	$212,050,288	$212,146,507	$96,219	0.05%		
Florida	$149,738,231	$176,391,501	$26,653,270	18%		
Georgia	$8,222,757	$4,695,983	($3,526,774)			-43%
Hawaii	$0	$0	$0		N/C	
Idaho	$312,000	$312,000	$0		N/C	
Illinois	$445,600,000	$489,200,000	$43,600,000	10%		
Indiana	$37,046,940	$40,214,028	$3,167,088	9%		
Iowa	$10,140,000	$10,842,863	$702,863	7%		
Kansas	$6,000,000	$6,000,000	$0		N/C	
Kentucky	$1,400,000	$1,700,000	$300,000	21%		
Louisiana	$4,962,500	$4,962,500	$0		N/C	
Maine	$1,555,000	$505,000	($1,050,000)			-68%
Maryland	$727,433,000	$811,485,000	$84,052,000	12%		
Massachusetts	$1,197,137,541	$1,217,790,879	$20,653,338	2%		
Michigan	$195,149,300	$200,984,058	$5,834,758	3%		
Minnesota	$254,527,000	$295,853,000	$41,326,000	16%		
Mississippi	$800,000	$1,600,000	$800,000	100%		
Missouri	$6,600,000	$6,800,000	$200,000	3%		
Montana	$415,197	$740,891	$325,694	78%		
Nebraska	$1,500,000	$1,500,000	$0		N/C	
Nevada	$95,000	$92,000	($3,000)			-3%
New Hampshire	$225,000	$588,000	$363,000	161%		
New Jersey	$910,584,000	$847,052,000	($63,532,000)			-7%
New Mexico	$2,830,000	$35,650,000	$32,820,000	1160%		
New York	$2,169,005,000	$2,573,088,000	$404,083,000	19%		
North Carolina	$111,724,897	$66,466,447	($45,258,450)			-41%
North Dakota	$2,203,657	$2,203,657	$0		N/C	
Ohio	$18,300,000	$16,300,000	($2,000,000)			-11%
Oklahoma	$3,250,000	$3,250,000	$0		N/C	
Oregon	$26,140,529	$35,983,883	$9,843,354	38%		
Pennsylvania	$835,223,000	$822,826,000	($12,397,000)			-1%
Rhode Island	$34,847,617	$47,182,752	$12,335,135	35%		
South Carolina	$5,943,000	$7,400,004	$1,457,004	25%		
South Dakota	$1,891,229	$750,000	($1,141,229)			-60%
Tennessee	$34,196,000	$38,050,000	$3,854,000	11%		
Texas	**$29,741,067**	**$28,741,067**	**($1,000,000)**			**-3%**
Utah	$0	$0	$0		N/C	
Vermont	$6,266,976	$5,746,599	($520,377)			-8%
Virginia	$157,600,000	$267,556,000	$109,956,000	70%		
Washington	$30,423,000	$39,338,803	$8,915,803	29%		
West Virginia	$2,258,342	$2,258,342	$0		N/C	
Wisconsin	$109,438,341	$113,411,541	$3,973,200	4%		
Wyoming	$2,955,511	$2,388,281	($567,230)			-19%
TOTALS	**$9,517,290,604**	**$11,065,597,728**	**$1,548,307,124**	**16%**		
Count (Total 51)	**47**	**48**		**28**	**10**	**13**

Source: Survey of State Funding for Public Transportation 2007 from data collected by the U.S. Department of Transportation, Bureau of Transportation Statistics

Together state governments fund transit at a level greater than the total of all FTA federal programs. Congress appropriated $8.5 billion as federal funding for transit in fiscal 2006 as compared to total state contributions of $11.1 billion in the same year.[9] *(7, 2)*

Table 4 provides a state-by-state comparison of funding from federal and state sources. The table also shows state funding as a percent of federal funding for each state. Sixteen states report state funding in 2006 greater than the federal apportionments and allocations.

As reported in *Survey of State Funding for Public Transportation 2007*, the total transit funding by state varies significantly across the U.S. In 2006, three states provided zero dollars at the state level in support of transit – Alaska, Hawaii, and Utah. On the other hand, states such as New York, California, Massachusetts, New Jersey, Pennsylvania, Maryland, Illinois, Minnesota, and Virginia, among others, made the largest contributions to transit. The highest dollar investment was $2.6 billion by New York.

Additional comparisons can be drawn when analyzing state-by-state investments per capita. **Table 5** documents the population for each state as reported by the U.S. Census for 2006, the total transit investment by state for the same year, and the calculated per capita expenditure. Rank is indicated for each category of statistic. **Figure 3** illustrates the data for state funding for transit per capita in 2006. The per capita state funding for transit for all states was $37.04. Texas transit funding was $1.23 per capita.

The per capita data are useful for comparison of overall level of investment. However, the statistic should not be interpreted as a measure of benefit received. In Texas, for example, state transit funds are distributed to small urban and rural transit providers – the state does not fund transit programs in metropolitan areas where most of the state's population resides. Texas ranks 2nd for population, 24th for total transit funding, and 34th for per capita funding.

The "state" that provides the highest per capita funding is Washington, D.C.; however, the total funding is high because the Washington Metropolitan Area Transit Authority (WMATA) also serves counties in Virginia and Maryland with a population greater than the District.

States that operate transit generally provide some of the larger per capita expenditures for transit. The six states that operate transit are: Massachusetts, Maryland, Alaska, New Jersey, Delaware, and Rhode Island.

[9] The total federal appropriation for FTA in 2006 was $8,504,461,350 of which $8,142,533,641 can be identified for individual states. The remaining dollars are appropriated to United States territories and to programs that are not state specific, such as agency administration, research, and the NTD.

Table 4. Federal and State Funding for Transit, 2006

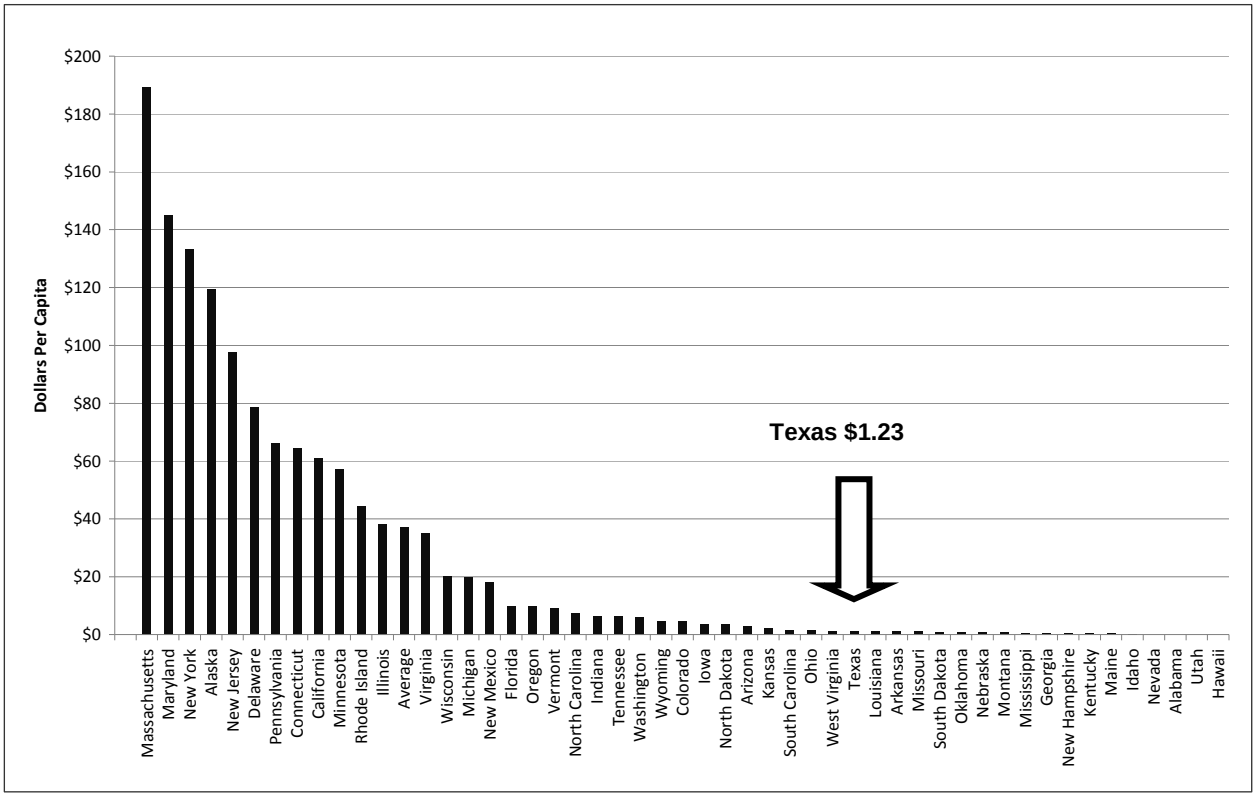
State	Funds for 2006		State Funds as Percent of Federal
	Federal	State	
Alabama	$56,247,544	$0	0%
Alaska	$76,787,423	$80,830,400	105%
Arizona	$174,611,216	$18,042,000	10%
Arkansas	$25,819,615	$3,277,637	13%
California	$1,151,009,443	$2,208,814,477	192%
Colorado	$165,878,454	$21,800,000	13%
Connecticut	$147,583,436	$225,605,428	153%
Delaware	$17,422,095	$67,180,200	386%
D.C.	$142,720,754	$212,146,507	149%
Florida	$305,039,770	$176,391,501	58%
Georgia	$142,697,024	$4,695,983	3%
Hawaii	$40,033,980	$0	0%
Idaho	$18,301,631	$312,000	2%
Illinois	$541,923,753	$489,200,000	90%
Indiana	$88,309,494	$40,214,028	46%
Iowa	$35,032,341	$10,842,863	31%
Kansas	$29,149,810	$6,000,000	21%
Kentucky	$40,507,844	$1,700,000	4%
Louisiana	$61,186,497	$4,962,500	8%
Maine	$12,568,845	$505,000	4%
Maryland	$177,850,286	$811,485,000	456%
Massachusetts	$284,245,229	$1,217,790,879	428%
Michigan	$150,842,978	$200,984,058	133%
Minnesota	$81,909,324	$295,853,000	361%
Mississippi	$21,190,413	$1,600,000	8%
Missouri	$95,877,055	$6,800,000	7%
Montana	$16,811,952	$740,891	4%
Nebraska	$19,909,770	$1,500,000	8%
Nevada	$44,667,766	$92,000	0%
New Hampshire	$10,547,857	$588,000	6%
New Jersey	$548,423,606	$847,052,000	154%
New Mexico	$25,234,316	$35,650,000	141%
New York	$1,435,645,721	$2,573,088,000	179%
North Carolina	$165,772,767	$66,466,447	40%
North Dakota	$10,058,707	$2,203,657	22%
Ohio	$189,299,143	$16,300,000	9%
Oklahoma	$28,683,378	$3,250,000	11%
Oregon	$96,967,096	$35,983,883	37%
Pennsylvania	$400,820,870	$822,826,000	205%
Rhode Island	$36,216,303	$47,182,752	130%
South Carolina	$34,813,955	$7,400,004	21%
South Dakota	$15,682,932	$750,000	5%
Tennessee	$76,794,316	$38,050,000	50%
Texas	**$335,848,097**	**$28,741,067**	**9%**
Utah	$59,629,129	$0	0%
Vermont	$7,785,543	$5,746,599	74%
Virginia	$151,488,781	$267,556,000	177%
Washington	$245,635,593	$39,338,803	16%
West Virginia	$24,694,461	$2,258,342	9%
Wisconsin	$69,307,615	$113,411,541	164%
Wyoming	$7,047,713	$2,388,281	34%
TOTALS	**$8,142,533,641**	**$11,065,597,728**	**136%**

Source: Survey of State Funding for Public Transportation 2007 and Federal Transit Administration FY 2006 Fund by State

Table 5. Level of Funding for Transit, 2006 by State, Ranked by Per Capita Funding

State	Population 2006	Rank for Population	State Funding 2006	Rank for State Funds	Per Capita State Funds	Rank for Per Capita
D.C.	585,459	50	$212,146,507	11	$362.36	1
Massachusetts	6,434,389	13	$1,217,790,879	3	$189.26	2
Maryland	5,602,017	19	$811,485,000	6	$144.86	3
New York	19,281,988	3	$2,573,088,000	1	$133.45	4
Alaska	677,450	47	$80,830,400	15	$119.32	5
New Jersey	8,666,075	11	$847,052,000	4	$97.74	6
Delaware	852,747	45	$67,180,200	16	$78.78	7
Pennsylvania	12,402,817	6	$822,826,000	5	$66.34	8
Connecticut	3,495,753	29	$225,605,428	10	$64.54	9
California	36,249,872	1	$2,208,814,477	2	$60.93	10
Minnesota	5,154,586	21	$295,853,000	8	$57.40	11
Rhode Island	1,061,641	43	$47,182,752	18	$44.44	12
Illinois	12,777,042	5	$489,200,000	7	$38.29	13
Virginia	7,640,249	12	$267,556,000	9	$35.02	14
Wisconsin	5,572,660	20	$113,411,541	14	$20.35	15
Michigan	10,102,322	8	$200,984,058	12	$19.89	16
New Mexico	1,942,302	36	$35,650,000	23	$18.35	17
Florida	18,057,508	4	$176,391,501	13	$9.77	18
Oregon	3,691,084	27	$35,983,883	22	$9.75	19
Vermont	620,778	49	$5,746,599	32	$9.26	20
North Carolina	8,869,442	10	$66,466,447	17	$7.49	21
Indiana	6,302,646	15	$40,214,028	19	$6.38	22
Tennessee	6,074,913	17	$38,050,000	21	$6.26	23
Washington	6,374,910	14	$39,338,803	20	$6.17	24
Wyoming	512,757	51	$2,388,281	37	$4.66	25
Colorado	4,766,248	22	$21,800,000	25	$4.57	26
Iowa	2,972,566	30	$10,842,863	28	$3.65	27
North Dakota	637,460	48	$2,203,657	39	$3.46	28
Arizona	6,165,689	16	$18,042,000	26	$2.93	29
Kansas	2,755,817	33	$6,000,000	31	$2.18	30
South Carolina	4,330,108	24	$7,400,004	29	$1.71	31
Ohio	11,463,513	7	$16,300,000	27	$1.42	32
West Virginia	1,808,699	37	$2,258,342	38	$1.25	33
Texas	**23,407,629**	**2**	**$28,741,067**	**24**	**$1.23**	**34**
Louisiana	4,243,288	25	$4,962,500	33	$1.17	35
Arkansas	2,809,111	32	$3,277,637	35	$1.17	36
Missouri	5,837,639	18	$6,800,000	30	$1.16	37
South Dakota	788,467	46	$750,000	43	$0.95	38
Oklahoma	3,577,536	28	$3,250,000	36	$0.91	39
Nebraska	1,763,765	38	$1,500,000	42	$0.85	40
Montana	946,795	44	$740,891	44	$0.78	41
Mississippi	2,899,112	31	$1,600,000	41	$0.55	42
Georgia	9,342,080	9	$4,695,983	34	$0.50	43
New Hampshire	1,311,821	41	$588,000	45	$0.45	44
Kentucky	4,204,444	26	$1,700,000	40	$0.40	45
Maine	1,314,910	40	$505,000	46	$0.38	46
Idaho	1,463,878	39	$312,000	47	$0.21	47
Nevada	2,492,427	35	$92,000	48	$0.04	48
Alabama	4,590,240	23	$0	49	$0.00	49
Utah	2,579,535	34	$0	50	$0.00	50
Hawaii	1,278,635	42	$0	51	$0.00	51
All States & DC	298,754,819	Total	$11,065,597,728	Total	$37.04	Average

Source: Survey of State Funding for Public Transportation 2007 and U.S. Census Bureau, Population Estimates Program, American Community Survey for July 1, 2006



Excludes Washington, D.C., $362.36 per capita

Source: Survey of State Funding for Public Transportation 2007 and U.S. Census Bureau, Population Estimates Program, American Community Survey for July 1, 2006

Figure 3. State Funding for Transit per Capita, 2006

3.2 SOURCES OF STATE FUNDS FOR TRANSIT – NATIONAL

In the national survey of state funding for public transportation, the Bureau of Transportation Statistics asked each state to identify the amount of funding by transit program and the state sources of funding. Other data included eligible uses, type of funding, and method of distribution. For the purposes of this report, the focus is on the sources of funding.

Table 6 documents the sources of funding by category for each state. The categories include the following:

- General sales tax
- Gas tax[10]
- Vehicle sales tax

[10] The survey tool listed "gas tax" and did not provide further detail to differentiate a fuel excise tax from a sales tax on fuels. Reference to a gas tax also did not provide any distinction for type of fuel (gasoline, diesel, etc.) or retail versus wholesale purchase.

- Vehicle registration, license or title fees
- Bond proceeds
- Interest income

In the survey responses, states often indicated the source of funds was “general fund” which is presumed to be the general revenues of the state and cannot be attributed to any particular revenue generator.

States could volunteer other sources of funding, and many offered specifics. **Table 6** provides a summary of the results of the survey to identify the frequency of occurrence of each source of funding and the percent of total funds attributable to each source.

The gasoline tax was cited as a source of funding most frequently. Nineteen states specifically identified a tax on gasoline or motor fuels as a source of funds for transit. In addition, several states mentioned transit funds were sourced to a general fund or trust fund that was financed through taxes on fuels. Ten states reported registration, license or title fees as a source of funds for transit. The same number of states reported using bond proceeds. Nine states specified general sales tax as the source of revenue to fund transit, and the same number of states reported sales tax on vehicles as a source of revenue. Fees on rental cars were mentioned specifically by three states and two additional states reported limousine fees or vehicle lease taxes among “other” sources of funds for transit. Interest income and the general fund were the other categories for sources of funds that were specifically identified in the survey. Six states indicated use of interest income and 11 states listed general funds.

Among “other” sources of funds, four states specifically called out use of lottery or casino revenues to fund transit: Arizona, New Jersey, Pennsylvania, and Oregon. Two states cited taxes on petroleum products or petroleum businesses: New Jersey and New York.

Table 6. Major Sources for State Transit Funding, 2006

State	State Funding 2006	General Sales Tax	Gas Tax	Vehicle Sales Tax	Rental Car Sales Tax, Surcharge	Registration License & Title Fees	Bond Proceeds	Interest Income	General Fund	Other	Other Description
Note: X indicates the state listed this source but did not specify the percent of funding from the source											
Alaska	$80,830,400								99.4%	0.6%	Alaska Mental Health Authority
Arizona	$18,042,000								0.2%	99.8%	Lottery
Arkansas	$3,277,637				89.3%					10.7%	Corporate franchise fee
California	$2,208,814,477	62.6%	30.7%				0.1%			6.6%	Fuel users tax and weight fees
Colorado	$21,800,000	100.0%									
Connecticut	$225,605,428										*No sources provided*
Delaware	$67,180,200		X			X				100.0%	Transportation Trust Fund from gas tax, registration fees, bridge tolls
D.C.	$212,146,507						19.2%		80.7%		Balance from private non-profit
Florida	$176,391,501		41.6%		2.5%	19.1%				36.8%	Documentary stamps
Georgia	$4,695,983	100.0%									
Idaho	$312,000									100.0%	Miscellaneous revenues
Illinois	$489,200,000	100.0%									
Indiana	$40,214,028	100.0%									
Iowa	$10,842,863			100.0%							
Kansas	$6,000,000									100.0%	State Highway Fund
Kentucky	$1,700,000										*No sources provided*
Louisiana	$4,962,500										*No sources provided*
Maine	$505,000									100.0%	Miscellaneous fees, off-road fuel tax
Maryland	$811,485,000		32.9%	31.2%		22.8%	4.3%			8.8%	Corporate income tax
Massachusetts	$1,217,790,879	58.4%	4.2%				22.8%			14.6%	Local assessment, State Infrastructure Fund
Michigan	$200,984,058		39.8%	28.6%		31.3%		0.1%		0.2%	Motor carrier, limousine fees
Minnesota	$295,853,000			41.7%			25.8%		32.6%		
Mississippi	$1,600,000								100.0%		
Missouri	$6,800,000	X							100.0%	X	General fund: State sales and income taxes
Montana	$740,891		10.1%			89.9%					
Nebraska	$1,500,000		69.8%	20.6%		9.5%		0.2%			
Nevada	$92,000							100.0%			

State	State Funding 2006	General Sales Tax	Gas Tax	Vehicle Sales Tax	Rental Car Sales Tax, Surcharge	Registration License & Title Fees	Bond Proceeds	Interest Income	General Fund	Other	Other Description
New Hampshire	$588,000						72.3%				*No source provided for 27.7%*
New Jersey	$847,052,000		13.5%	6.6%			35.5%	0.8%	32.9%	10.7%	Petroleum gross receipts, casino revenue
New Mexico	$35,650,000										*No sources provided*
New York	$2,573,088,000		X	X					X	X	Petroleum business tax, mortgage tax, corporate surcharges
North Carolina	$66,466,447		90.5%	0.9%							*No source provided for 8.6%*
North Dakota	$2,203,657					100.0%					
Ohio	$16,300,000								100.0%		
Oklahoma	$3,250,000		X							X	
Oregon	$35,983,883		8.6%			9.7%	1.5%	2.1%		78.1%	Lottery 33.8%, transit tax 20.2%, property and income tax 14.3%, cigarette tax 9.9%,
Pennsylvania	$822,826,000	18.9%			3.8%		12.4%		38.1%	26.8%	Lottery 18.6%, vehicle lease tax 6.4%, tire tax 1.4%, Public Transit Assistance Fund 0.4%
Rhode Island	$47,182,752		82.2%				1.3%		16.4%	0.1%	Rhode Island capital fund
South Carolina	$7,400,004		100.0%								
South Dakota	$750,000									100.0%	Special transit funds
Tennessee	$38,050,000		100.0%								
Texas	$28,741,067										*No sources provided*
Vermont	$5,746,599									100.0%	Transportation Fund
Virginia	$267,556,000	28.0%	21.0%							49.0%	Trust fund. *No source provided 2 %*
Washington	$39,338,803		X	X		X				X	
West Virginia	$2,258,342								100.0%		
Wisconsin	$113,411,541		33.3%			33.3%				33.3%	Other fees and revenues
Wyoming	$2,388,281							37.2%		62.8%	Statutory funds
Note: The following states did not provide state funds for transit in 2006											
Alabama	$0										
Hawaii	$0										
Utah	$0										
Number of States Using this Source		9	19	9	3	10	10	6	12	25	

Source: Survey of State Funding for Public Transportation 2007

3.3 SOURCES OF STATE FUNDS FOR TRANSIT – SELECTED STATES

Twenty-two states were selected for further analysis of the sources and uses of state funds for transit in this section of Chapter 3.0. The states were selected based on the following criteria:

1) large states based on population (Texas ranks 2nd for population);
2) states making a significant contribution of state funds toward transit, as measured in total dollars or per capita investment; and
3) states with urban transit systems in large metropolitan areas often considered as peers for regional transit systems in Texas.

The urban transit systems are discussed in Chapter 4.0 of this report. The states are presented in the order of the per capita investment of state funds for transit in fiscal year 2006, starting with the state with the largest contribution per capita (Massachusetts). Per capita funding in Washington, D.C. is not included.

Massachusetts	Oregon
Maryland	North Carolina
New York	Indiana
New Jersey	Washington
Pennsylvania	Colorado
Connecticut	Arizona
California	Ohio
Minnesota	Texas
Illinois	Missouri
Virginia	Georgia
Florida	Utah

The primary source of data and information presented in this section is the *Survey of State Funding for Public Transportation 2007. (2)* Facts and figures are supplemented by research of the websites for departments of transportation for some states.

Massachusetts

Key Statistics about Massachusetts State Funds for Transit

Population 2006	6,434,389
Total State Funds for Transit 2006	$1.2 billion
Per Capita State Investment	$189.26
Rank for Population	#13
Rank for Total State Funds for Transit	#3
Rank for Per Capita State Investment	#2 (behind only Washington, D.C.)

Sources of Funding

Transit funding in Massachusetts comes from a variety of sources including sales tax revenues dedicated to transit, general fund, the highway fund, local government assessments, revenue

bonds, and the State Infrastructure Fund. The dedicated sales tax is 20% of the existing statewide 5% sales tax.

Overview of Massachusetts State Funding Programs

State (Commonwealth) funds are used for operating expenses and capital projects for the state agency Massachusetts Bay Transportation Authority (MBTA). Operating and capital assistance is also provided for 15 regional transit authorities other than MBTA.

Operating assistance for MBTA represents 69.6% of all state funds for transit. Revenues for the program are from the sales tax and local government assessments. Capital assistance for MBTA represents an additional 23.6% of all state funds for transit. Funds are from the proceeds of MBTA revenue bonds and the State Infrastructure Fund.

Regional transit authorities other than MBTA receive almost 7% of all state funds for transit. The funds are from a combination of sources including gas tax (highway fund), bond proceeds, and local government assessments. The funds may be used for operating and capital assistance by the regional transit authorities.

Maryland

Key Statistics about Maryland State Funds for Transit

Population 2006	5,602,017
Total State Funds for Transit 2006	$811.5 million
Per Capita State Investment	$144.86
Rank for Population	#11
Rank for Total State Funds for Transit	#6
Rank for Per Capita State Investment	#3

Sources of Funding

A state agency, Maryland Transit Administration (MTA), operates the public transit system for the state of Maryland.

Funding to support all transportation expenditures flows through the Transportation Trust Fund. The state legislature allocates funding to each modal administration. The MTA is responsible for the urban transit system for the Baltimore Metro Area and MARC (Maryland Area Regional Commuter) trains serving Baltimore and Washington, D.C.

Funds for the Transportation Trust Fund are generated from the state gas tax, vehicle sales tax, vehicle registration and license fees, bond proceeds, and the state's corporate income tax.

Overview of Maryland State Funding Programs

Maryland state funds for transit are summarized in eight programs. Of the eight programs, two programs represent 98% of expenditures: the large urban area program for Baltimore (66.8% of all state funds for transit) and the large urban area program for the Maryland/Washington, D.C.

area (31.6% of all state funds for transit). The state funds capital and operating expenses for both programs.

For the combined bus, Metro subway, and light-rail systems in Baltimore, MTA has a goal of 50% fare recovery and is required by statute to recover at least 40% of transit operating expense through fares. For MARC commuter trains, MTA is required by statute to recover 50% of its transit operating expenses. There are some general expenses that are excluded for calculation of the fare recover ratio.

The six additional Maryland state funding programs (each represents less than 1% of all state funds for transit) include the Statewide Special Transportation Assistance Program for transportation for seniors and person with disabilities; the Rural Transit Program; the Small Urban Program; discretionary funds for ADA services; state match for federal programs for Job Access; and a discretionary capital program to provide state funding for vehicles, equipment and facilities that may not be eligible for FTA funds.

New York

Key Statistics about New York State Funds for Transit

Population 2006	19,281,988
Total State Funds for Transit 2006	$2.6 billion
Per Capita State Investment	$133.45
Rank for Population	#3
Rank for Total State Funds for Transit	#1
Rank for Per Capita State Investment	#4

Sources of Funding

There are several sources of funds for transit in New York, including traditional revenue generators for transportation such as the motor fuel tax and motor vehicle sales tax. State general funds are another source of funding for transit.

Five other sources of funds for transit in New York are as follows:

- Petroleum business tax (business tax specifically imposed on petroleum companies)
- Corporate surcharge (tax on businesses in the New York metropolitan area)
- Sales tax (0.25% in the New York metropolitan area)
- Long-lines tax (franchise tax on transportation/transmission businesses)
- Mortgage recording tax (imposed on new property owners in some areas of the state)

Overview of New York State Funding Programs

In 2006, New York State provided about $2.6 billion in Statewide Mass Transportation Operating Assistance (STOA) and other transportation assistance programs to approximately 130 transit operators in the state. *(8)*

A permanent, ongoing STOA program was established by the New York Legislature in state fiscal year 1975-76 with appropriations from the state's general fund. The funds are distributed pursuant to the original 18-b provisions of State Transportation Law and require a 100% local match. The funds are often referenced as the New York State 18-b Operating Assistance fund.

In state fiscal year 1981-82, the Legislature enacted a series of taxes to assist in funding the operating deficits of the state transit systems. A portion of the proceeds from the taxes are deposited to the Mass Transit Operating Assistance (MTOA) fund. This fund is subdivided into the Downstate and Upstate dedicated tax fund accounts. The Downstate account (Metropolitan Mass Transit Operating Assistance) provides funding to transit systems in the 12-county New York metropolitan transportation commuter district and consists of revenues from the following sources: a portion of the petroleum business tax operating within New York state; sales tax (0.25%) imposed on the sales and uses of certain tangible personal property and services; the long-lines tax corporate franchise tax imposed on certain transportation and transmission companies; and temporary corporate surcharges imposed on certain businesses attributable to the conduct of business within the transportation district. The Upstate account provides funding to all transit systems outside the 12-county metropolitan transportation commuter district. A portion of the petroleum business tax is the sole dedicated revenue source for the Upstate account.

The Mass Transportation Trust Fund was created as part of the multi-year capital and operating financing plans approved in the early 1990s through the Statewide Dedicated Funds Pool. The Statewide Dedicated Funds Pool is the repository for the following dedicated taxes and fees: petroleum business tax imposed on petroleum businesses operating in New York State (a separate fund from the MTOA fund used to finance STOA); a motor fuels excise tax levied on gasoline and diesel motor fuels; and motor vehicle fees that are derived mainly from vehicle registration and driver license fees. This dedicated funding is split 37% for the Mass Transportation Trust Fund and 63% for the Highway and Bridge Trust Fund. The Mass Transportation Trust Fund is further split 34% to the New York Metropolitan Transportation Authority (NYMTA) and 3% to non-NYMTA systems.

The state budget also provided general funds in the amount of $45 million for the NYMTA Student Reduced Fare Program for New York City school transportation in 2006. The City of New York contributed a like amount.

The Mortgage Recording Tax (MRT) is the source of funds for the Suburban Transportation Fund to provide operating assistance to NYMTA New York City Transit and the NYMTA commuter railroads. Mortgage Recording Taxes (MRT) consists of two separate taxes.

- MRT-1 is imposed on the borrower for recorded mortgages of real property and collected by New York City and the seven counties in the NYMTA service area at 0.3% of the debt secured by certain real estate mortgages. Receipts must be applied first to pay NYMTA headquarters operating expense and, second, to make deposits into the New York City Transit account (55% of remaining funds) and the commuter railroad account (45% of remaining funds).

- MRT-2 is imposed on the institutional lender. The tax consists of 0.25% of certain recorded mortgages secured by real estate structures containing one to six dwelling units in the

NYMTA service area. MRT-2 receipts are to be applied, first, to make deposits into the payment sub-accounts of Dutchess, Orange and Rockland counties, and, second, for the purpose of paying operating and capital costs incurred for the benefit of the NYMTA.

Fifty-seven percent of all state funds for transit are dedicated to operations for the metropolitan MTOA for Downstate transit systems and do not require a local match. Twenty-five percent of all state funds for transit are the NYMTA share of the Mass Transportation Trust Fund. The funds are used for capital, operating, and debt service. An additional 7% of all state funds for transit are Downstate operating assistance requiring a 100% local match. The mortgage recording tax is the source of funds for the Suburban Transportation Fund to provide operating assistance to the NYMTA commuter railroads. The NYMTA Student Reduced Fare Program is funded through the general fund. These latter two funds represent 3% of all state funds for transit. In total, about 92% of New York state funding is directed to Downstate transit agencies.

Three funding programs are directed to the transit systems outside the 12-county metropolitan transportation district (Upstate). Three percent of all state funds for transit are dedicated to the operations for Upstate transit systems and do not require a local match. Two additional programs representing about 1% of all state funds for transit provide Upstate operating assistance requiring a 100% local match. In total, about 5% of New York state funding is directed to Upstate transit agencies.

Two smaller New York transit funding programs, representing 2% of all state funds for transit, are specifically designated for non-NYMTA assistance. A statewide operating assistance program requires a 100% local match (1.4% of all state funds for transit).

New Jersey

Key Statistics about New Jersey State Funds for Transit

Population 2006	8,666,075
Total State Funds for Transit 2006	$847.1 million
Per Capita State Investment	$97.74
Rank for Population	#11
Rank for Total State Funds for Transit	#4
Rank for Per Capita State Investment	#6

Sources of Funding

Transit funding in New Jersey comes from both general fund appropriation and the State Transportation Trust Fund (TTF). In 2006, TTF was supported from the following revenue sources:

- Bond proceeds (56.3%)
- Motor fuel tax (21.3%)
- Vehicle sales tax (10.5%)
- Petroleum gross receipts tax (10.5%)
- Interest income (1.3%)

New Jersey funds transit programs for seniors and persons with disabilities from a separate casino revenue fund.

Overview of New Jersey State Funding Programs

Public transit services throughout New Jersey are provided by a single state agency, the New Jersey Transit Corporation (NJ Transit). The state funds for transit are summarized in six programs.

The Transit Operations program represents 51.6% of all state funds for transit and provides general support for NJ Transit's operating budget including rail, bus, and light-rail transit (LRT) operations and administrative/operations support costs.

There are four capital programs that use funds from bond proceeds, motor fuels tax, vehicle sales tax, petroleum gross receipts tax, and interest income to provide for capital expenses. The four capital programs are the Rail Program (20.5% of all state funds for transit), the Urban Core Program (9.8% of all state funds for transit), System-wide Capital Improvements (9.1% of all state funds for transit), and the Bus and LRT Programs (4.9% of all state funds for transit). In combination, the four capital programs account for 44.3% of all state funds for support of transit.

Casino revenues fund the Elderly and Disabled Program (4% of all state funds for transit). Of the total program funds, 85% is passed through to each county in the state using a population-based formula; the remaining 15% is allocated to NJ Transit for program administration and capital projects that benefit the elderly and persons with disabilities.

Pennsylvania

Key Statistics about Pennsylvania State Funds for Transit

Population 2006	12,402,817
Total State Funds for Transit 2006	$822.8 million
Per Capita State Investment	$66.34
Rank for Population	#6
Rank for Total State Funds for Transit	#5
Rank for Per Capita State Investment	#8

Total state transit funding in Pennsylvania includes a significant number of bond projects. For this reason, the amount of state funding varies by fiscal year, primarily based on transit agency billings for bond funding projects. In 2006, reimbursements for bond-funded capital projects decreased from $140 million to $102 million; however, the total of all other state assistance increased from $695 million to $721 million.

In 2006, the governor of Pennsylvania flexed $210 million in federal highway funds to fill a funding gap for transit on an interim basis. In November 2006 the Governor's Transportation Funding and Reform Commission Report recommended an annual increase in public transportation funding of $760 million for operating and capital projects.

In 2007, the Pennsylvania Legislature passed Act 44, establishing a long-term funding stream to address Pennsylvania's transportation funding needs. Act 44 provides more than $116 billion over a 50-year period for transportation maintenance and improvements in Pennsylvania.

The sources of funds for Act 44 are made possible by the following:

- Converting I-80 to a tolled facility
- Increasing existing Mainline Turnpike (I-76) tolls
- Issuing monetization bonds based on future toll revenues

The anticipated revenue generated from Act 44 satisfies 95% of the needed funding identified in the commission's report. A majority of this funding will be used statewide to repair roads and bridges. Toll money collected on I-80 will be used to reconstruct and improve I-80, and to pay the lease payments in accordance with the Pennsylvania Turnpike Commission (PTC) and Pennsylvania Department of Transportation (PennDOT) Lease Agreement. A portion of tolls from the Mainline Turnpike will be used for transit, as explained in the following discussion.

Sources of Funding

Transit funding in Pennsylvania in 2006 came from general fund appropriation, dedicated funds, lottery funds, and general obligation bond proceeds. The state has a constitutional restriction prohibiting the use of highway funds for public transportation

The state-dedicated Public Transportation Assistance Fund (PTAF) and Act 3 Revenue Enhancement Initiative (Act 3) were exclusively for transit. Dedicated funds that contribute to the PTAF were generated from the general sales tax, vehicle lease tax, auto rental tax and tire tax. Dedicated funds approved for Act 3 were from the general sales tax.

Overview of Pennsylvania State Funding Programs

Pennsylvania state funds for transit, as used in 2006, are summarized in six programs.

The general fund was the source of revenue for Operating Assistance, representing 35.8% of all state funds for transit. The funds are allocated by legislative formula for urban and rural transit and may be used for all categories of operating expense.

The PTAF provided capital assistance for urban, rural, and community transportation systems. Revenues in 2006 were from the general sales tax, vehicle lease tax, auto rental tax, and a tire tax. The PTAF was 21.5% of all state funds for transit.

Lottery and the general fund provided for the Senior Citizen Transportation Program, representing 19.2% of all state funds for transit. The program provides for 100% fare reimbursement for free senior citizen fares during off-peak ours for fixed route services and 8% of eligible fares for shared-ride service (no peak hour restriction).

Bond proceeds fund the Discretionary Capital Assistance Program (12.4% of all state funds for transit). Funds are allocated to specific capital projects authorized in the state capital budget.

Act 3 dedicated supplemental funds from the general sales tax for capital and operating assistance for urban and rural programs and capital only for community transportation. Urban transit systems may use approximately 75% of funds for operating assistance, including asset maintenance, and the balance for capital assistance. The rural transit systems may use all funds for operating assistance. Act 3 is 9.1% of all state funds for transit.

The Intercity Transportation Program (less than 1% of all state funds for transit) is to be used for intercity rail and intercity bus projects.

In 2007, all funding programs were combined into the Public Transportation Trust Fund. The sources of funds are:

- $396 million from the state sales tax as a revenue neutral swap to replace the 2006 operating and Act 3 funding
- $80 million from lottery for free transit for seniors
- Additional $300 million from Pennsylvania Turnpike Commission
- Maintain PTAF funding of $180 million

Connecticut

Key Statistics about Connecticut State Funds for Transit

Population 2006	3,495,753
Total State Funds for Transit 2006	$225.6 million
Per Capita State Investment	$64.54
Rank for Population	#29
Rank for Total State Funds for Transit	#10
Rank for Per Capita State Investment	#9

Sources of Funding (9)

The State of Connecticut funds virtually all transit in the state from federal and state funds. A small amount of local funds are contributed, mostly for specific paratransit services. The Connecticut General Assembly established the Special Transportation Fund (STF) in 1984 to provide a dedicated fund for the financing of investment in the state's transportation system and to cover the cost of operating the department of transportation and all of the services it provides, including public transportation. The sources of revenue for the STF are: state excise tax on motor fuels; motor vehicle registration fees; sales tax on motor vehicles; oil company tax; other license, permit and fee income; FTA transit operating assistance provided to the state; interest income; and transfers from the general fund.

The first use of the STF in Connecticut is to pay for the debt service on special tax obligation bonds issued for transportation infrastructure. The fund also pays for Department of Transportation Operations, which includes support for the transit services it provides. State funds are used to operate the New Haven Line rail passenger service, the Shore Line East rail service, the 15 urban bus services, five rural bus services, and to support paratransit services.

The primary sources of funds for the state's capital program are federal funds, Special Tax Obligation (STO) bonds, and state appropriations from other funds. Transit capital projects are included in the state capital program of projects.

Overview of Connecticut State Funding Programs

Funding for transit in Connecticut is summarized in four programs.

Almost 39% of state funds provide support for urban, rural, and commuter express bus operations. An additional 38% of state funds support commuter rail service. Eight percent of state funds support ADA paratransit services and non-ADA transportation for dialysis. In total, 85% of Connecticut state funds are used for transit operations throughout the state.

Fifteen percent of state funds are committed to capital project management for bond projects.

California

Key Statistics about California State Funds for Transit

Population 2006	36,249,872
Total State Funds for Transit 2006	$2.2 billion
Per Capita State Investment	$60.93
Rank for Population	#1
Rank for Total State Funds	#2
Rank for Per Capita State Investment	#10

Sources of Funding *(10)*

The primary source of state transit funding in California is from the sales tax. The Transportation Development Act (TDA) of 1971 earmarked 0.25% of the state sales tax for transit. Today the California sales tax is 7.25% which is comprised of a 5% state retail sales tax, 2% local retail sales tax, and 0.25% sales tax for the Local Transportation Fund (LTF). Because these funds are generated at the local level, some transit agencies report TDA funding as a local funding source.

Other sources of funds that can be used for transit are the state excise tax on motor vehicle fuels, weight fees, and the state sales tax on motor fuels.

The State of California imposes a state excise tax on motor vehicle fuels to provide revenues for transportation (highways, public streets, and some transit). The excise tax is 18 cents per gallon on gasoline (the "gas tax"), diesel fuel, and alternative fuels (the "fuel use tax"). About two-thirds of these revenues (11.54 cents per gallon) are allocated to the State Highway Account (SHA), while the remainder (6.46 cents per gallon) goes to cities and counties for streets and roads. The California constitution requires the state fuel tax revenues to be used for planning, construction, maintenance, and operation of public streets and highways, as well as planning, construction, and maintenance of public transit tracks and related facilities, such as train stations. These revenues cannot, however, be used to operate or maintain other public transit facilities and services.

Revenues from weight fees paid by commercial truckers are deposited into the SHA and provide about 0.25% of state funding for transportation.

A portion of the state sales tax on motor vehicle fuels is dedicated to transit. A 4.75% sales tax on diesel fuel and 4.75% sales tax on 9 cents of the excise tax on gasoline flow to the Public Transportation Account (PTA). The balance of the 5% sales tax on gasoline funds the Transportation Investment Fund (TIF). All other state sales tax goes to the California general fund. The use of revenues from the state sales tax on motor vehicle fuels for transit is discussed below.

Overview of California State Funding Programs

There are several state funding programs to support transit in California. In various combinations, California state funds support transit capital, operations, and planning activities.

The TDA permits use of a portion (0.25%) of the statewide retail sales tax (7.25%) for public transportation. TDA funds are collected by the state and returned to the participating county based upon the amount collected in that county. The funds are then apportioned to the transit provider(s) in that county by the local county taxing authority. TDA represents 62.6% of all state funding for transit.

The PTA derives revenues from the state sales tax on motor fuels. The sales tax rates are 4.75% on diesel and 4.75% on 9 cents of the gasoline excise tax.[11] The PTA also receives funds from the Transportation Investment Program (see discussion of the program below). Fifty percent of all PTA revenues go to the State Transit Assistance (STA) program for public transit operations and for regional transit projects. STA funds are allocated to the region based upon population, fares, and local revenues from the previous years. The STA is 9.1% of all state funds for transit.

The second 50% of the PTA revenues goes to the State Transportation Improvement Program (STIP). The STIP is a five-year capital improvement plan that is updated every two years. The STIP funds new construction projects that add capacity to the transportation system to relieve congestion. STIP consists of the Regional TIP (RTIP) developed by counties and the Interregional TIP (ITIP) developed by the state department of transportation (Caltrans). STIP funding comes from a mix of state, federal, and local taxes and fees. State sources of funds for the STIP include the SHA and TIF as well as PTA revenues. Funds from the SHA that contribute to the STIP can be used for urban and commuter rail (RTIP) and intercity rail (ITIP). In 2006, the STIP represented 6.6% of all state funds for transit.

The Traffic Congestion Relief Act of 2000 temporarily redirected the state portion of revenues from the 5% state sales tax on gasoline (the portion other than 4.75% on 9 cents of the state excise tax that is dedicated to the PTA) from the general fund to be used for transportation. The Traffic Congestion Relief Program (TCRP) dedicates funds to a program of projects through 2007-08 and includes capital projects (roadway and transit) to ease congestion and enhance connectivity between modes in urban areas. In 2006, TCRP represented 21.5% of all state funding for transit.

[11] The PTA also receives a portion of "spillover" funds. Spillover occurs when sales tax revenues (at 4.75%) on all goods, including gas, exceed revenues (at 5%) of all sales, excluding gas.

Proposition 42 passed in 2002 made the redirection of the revenues from the 5% state sales tax on gasoline to the TIF permanent as of 2003-04. Twenty percent of TIF revenues are directed to the PTA (75% STA and 25% Caltrans). Forty percent of TIF revenues go to cities (20%) and counties (20%) to fund capital projects to relieve congestion. The final 20% of TIF revenues are directed to the STIP.

In addition to the state funding programs that support transit in California from tax revenues, bonds enable the state to finance major projects that it cannot afford on a "pay-as-you-go" basis. The state borrows money from investors and then repays this money, plus interest, over a period of years. General obligation (GO) bonds are backed by the state's general funds. The state constitution requires GO bonds to be approved by a two-thirds vote of the Legislature and a majority of the voters. GO bonds approved for transit include the following:

- Proposition 108 (1990) is known as the Passenger Rail and Clean Air Bond Act. Proposition 108 authorized the state to issue $1 billion in general obligation bonds to fund capital improvements intercity rail, commuter rail, and rail transit programs. Most of the funds from this program have been allocated to specific projects.

- Proposition 116 (1990) is the Clean Air and Transportation Improvement Act. Proposition 116 authorized $2.0 billion in bonds for discretionary grants to local transportation agencies and jurisdictions for rail and fixed guideway projects approved by California Transportation Commission. Most of the funds from this program have been allocated to specific projects.

- Proposition 1B (2006) is the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Proposition 1B provides $19.9 billion to bond projects to relieve congestion, facilitate goods movement, improve air quality, and enhance safety and security of the transportation system. Approximately $4.0 billion is for Public Transportation Modernization, Improvement and Service Enhancement for intercity rail ($400 million), commuter and urban rail improvements ($3.6 billion).

California also uses revenue bonds to finance revenue-producing projects such as toll bridges or parking structures. Revenue bonds are authorized by the California Legislature and generally do not require voter approval.

Minnesota

Key Statistics about Minnesota State Funds for Transit

Population 2006	5,154,586
Total State Funds for Transit 2006	$295.9 million
Per Capita State Investment	$57.40
Rank for Population	#21
Rank for Total State Funds for Transit	#8
Rank for Per Capita State Investment	#11

Sources of Funding

The general fund is the source of Minnesota state revenues for transit operating and capital assistance, including funds to operate light rail in Minneapolis-St. Paul (Twin Cities). State bonds are dedicated to commuter rail and transitways.

In 2003, the Minnesota Legislature approved a regional motor vehicle sales tax (6.5%) to generate revenues for transportation. The funds are collected by the state; however, because these funds are generated at the local level, the funds are sometimes reported as a local funding source. The distributions of funds will phase in by 2012 as 60% highways, 36% transit in the Twin Cities seven-county metropolitan area and 4% to Greater Minnesota (GM) transit outside the metropolitan area. In 2006, 21.5% of the annual motor vehicle sales tax collections were distributed for transit in the Twin Cities metropolitan area and 1.43% for GM transit operations.

Overview of Minnesota State Funding Programs

The Metropolitan Council receives and distributes funding for the seven-county Twin Cities metropolitan area. The Minnesota Department of Transportation (MnDOT) is responsible for receiving and distributing funding for public transit systems outside the metro area. The Minnesota state funds for transit are summarized in seven programs.

The first two programs address the Twin Cities metropolitan area. The Metro Area Transit Fund is financed from the motor vehicles sales tax, representing 39.1% of all state funds for transit to fund operating expenses for transit in the Twin Cities metro area. The Metro Area Transit Operating Assistance Program (24.8% of all state funds for transit) is a general fund allocation for operating expenses for transit in the Twin Cities metropolitan area.

There are two corresponding programs to fund transit services outside the Twin Cities metro area. The GM Operating and Capital Assistance Program (6.4% of all state funds for transit) is a general fund allocation for operating or capital expenses for transit outside the Twin Cities. The GM Transit Fund is financed from the motor vehicle sales tax and represents 2.6% of all state funds for transit. The GM Transit Fund is for operating expense.

Commuter Rail Bonds (20.3% of all state funds for transit) fund the Northeast Corridor Commuter Rail project. Bonds are also the source of revenue for capital expense for transitways (3.5% of all state funds for transit). Minnesota appropriates general fund revenues (1.4% of all state funds for transit) for operating expenses for the Hiawatha LRT in Minneapolis-St. Paul.

Illinois

Key Statistics about Illinois State Funds for Transit

Population 2006	12,777,042
Total State Funds for Transit 2006	$489.2 million
Per Capita State Investment	$38.29
Rank for Population	#5
Rank for Total State Funds for Transit	#7
Rank for Per Capita State Investment	#13

Sources of Funding

The State of Illinois distributes general revenue funds equal to a portion of the general sales tax collected in three regions of the state. The funds maybe used for general operating assistance, fare reimbursement, and debt service on capital bonds.

Overview of Illinois State Funding Programs

The Illinois Public Transportation Fund (PTF) contributes to transit in three areas of the state:

- Northern Illinois Regional Transportation Authority (RTA) receives general revenue funds equal to 25% of the state sales tax and real estate transfer tax revenues collected in northeast Illinois. RTA provides funding, planning, and fiscal oversight for regional bus and rail operations for six counties in northeastern Illinois. Three transit agencies, the Chicago Transit Authority (CTA), Pace and Metra, operate the rail and bus systems overseen by the RTA.

- The Metro-East system in southwest Illinois receives general revenue funds equal to 80% of 2/32 of the sales tax collected in the region.

- Other eligible downstate areas receive general revenue funds equal to 80% of the 3/32 sales tax collected in those areas to fund up to 55% of the operating budget in fiscal 2006.

Virginia

Key Statistics about Virginia State Funds for Transit

State funding for transit in Virginia was $268 million in 2006, an expenditure of $35.02 per capita. Virginia ranked 9th of 50 states and the District of Columbia for total state dollars and 14th for per capita expenditure.

Population 2006	7,640,249
Total State Funds for Transit 2006	$267.6 million
Per Capita State Investment	$35.02
Rank for Population	#12
Rank for Total State Funds for Transit	#9
Rank for Per Capita State Investment	#14

Sources of Funding

The Commonwealth Transportation Trust Fund provides most state funding for transit in Virginia. Various taxes and fees, including general sales tax, motor fuels tax, and motor vehicle use taxes are used to support the trust fund. In fiscal 2006 about 15% of the trust fund was allocated to transit. In addition, the state made a special appropriation of $75 million from general funds to support public transportation in 2006.

State highway funds may be used for transit on a project by project basis. In 2006, $33 million in state highway funds and toll revenues supported transit projects.

The regional motor fuels tax is used to fund public transportation in the nine Virginia counties that fall within the Washington, D.C., metropolitan area. Two transportation commissions administer programs supported by this tax. The two transportation commissions are the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission. The motor fuels tax revenues are collected by the state; however, because these funds are generated at the local level, the funds are sometimes reported as a local funding source.

Overview of Virginia State Funding Programs

Programs for funding transit in Virginia are summarized in five programs.

The largest program is for Transit Capital Assistance and represents 40.5% of all state funds for transit. Revenues are from the general sales tax and the Transportation Trust Fund. Projects are subject to approval by the Commonwealth Transportation Board.

The Virginia Operating Assistance program represents 36.7% of all state funds for transit and is financed by the Transportation Trust Fund. Funds are allocated to transit systems in the state based on each system's operating expense as a percent of the statewide total.

Fourteen percent of all state funds for transit in Virginia go to support the Northern Virginia share of the Washington Area Metropolitan Transit Authority's (WMATA) operating expenses. The funds are from the regional motor fuels tax, and the Northern Virginia Transportation Commission administers the funds.

Almost 7% of all state funds for transit support operating and capital expenses of the Virginia Railway Express (commuter rail), Omni Ride (commuter and local bus) and other transportation projects and services in the Potomac and Rappahannock region. The funds are from the regional motor fuels tax, and the Potomac and Rappahannock Transportation Commission administers the funds.

The Virginia Commonwealth also sponsors Transit & Congestion Management Special Project Assistance (1.9% of all state funds for transit). Funds are awarded at the discretion of the Commonwealth Transportation Board. Projects support congestion management or transit technical assistance.

Florida

Key Statistics about Florida State Funds for Transit

Population	18,057,508
Total State Funds for Transit 2006	$176.4 million
Per Capita State Investment	$9.77
Rank for Population	#4
Rank for Total State Funds for Transit	#13
Rank for Per Capita State Investment	#18

Sources of Funding

The sources of state funds for transit in Florida are the gasoline tax; vehicle registration, license, and title fees; and rental car surcharges.

In addition, the Florida State New Starts program is funded from general revenues, sourced originally from documentary stamps. The Florida documentary stamp tax is levied on documents such as deeds; bonds; notes and written obligations to pay money; and mortgages, liens, and other evidences of indebtedness.

Overview of Florida State Funding Programs

The State of Florida supports capital, operations, and planning for transit in Florida. By state law, a minimum of 15% of the state Transportation Trust Fund must be spent on public transportation – which includes transit, rail, aviation, seaports, and intermodal facilities. Transit makes up about 5% of the state expenditures from the Transportation Trust Fund.

Programs for funding transit in Florida are summarized in eight programs.

The largest program is the State New Starts program. State funds from documentary stamps provide match for up to 50% of the non-federal share for a New Starts capital project. The State New Starts program is 36.9% of all state funds for transit in Florida.

State Transit Block Grants represent 35.8% of all state funds for transit. The revenues match federal funds for Section 5307 urbanized areas. The state will fund up to 50% of the non-federal share of capital projects and 50% of eligible operating expense.

The Transportation Disadvantaged Trust Fund (10.2% of all state funds for transit) supports coordinated transportation in the state.

The Transit Corridor Program (4.8% of all state funds for transit) is used as grants for capital or operating expense in state-designated corridors.

The Public Transit Service Development Program (4.5% of all state funds for transit) funds grants for 2-3 year demonstration projects to encourage new transit services.

The Commuter Assistance Program (4.3% of all state funds for transit) provides a source of revenues for grants to Transportation Management Agencies (TMA) and ride-sharing programs.

The State of Florida also provides grants for up to 50% of the non-federal share for capital projects for Section 5303 Metropolitan Transportation Planning, Section 5310 Special Needs of Elderly Individuals, and Section 5311 Non-urbanized Area. The Match Program is 2.1% of all state funds for transit.

The Park and Ride Program (1.4% of all state funds for transit) provides assistance for the capital cost of park and ride projects.

Oregon

Key Statistics about Oregon State Funds for Transit

Population	3,691,084
Total State Funds for Transit 2006	$36 million
Per Capita State Investment	$9.75
Rank for Population	#27
Rank for Total State Funds for Transit	#22
Rank for Per Capita State Investment	#19

Sources of Funding

Transit funding comes from "other fund" revenues in the state of Oregon. The sources of revenues are identified in the following list and described by funding program below.

- Cigarette tax – of the $1.28 for 20-pack and $1.68 for 25 pack cigarette tax, 89.65% is allocated to the state general fund. Of that amount 3.45% per pack is allocated to the Special Transportation Fund for senior and disabled transportation.
- Gas tax - portion eligible for non-highway uses
- Department of Motor Vehicles (DMV) identification (ID) fee
- Lottery profits
- Mass Transit Tax – allocated to those eligible as a percent (0.6%) of state wages paid locally
- General property and income tax
- Interest income
- Bond proceeds

Overview of Oregon State Funding Programs

Six programs are included in the Oregon state-funded transit investments. The largest program allocates funds to special programs for seniors and persons with disabilities (30.3% of all state funds for transit).

Lottery funds contribute to the Tri-County Metropolitan Transportation District (TriMet) light-rail projects in the Portland area (27.7% of all state funds for transit) and the proposed Washington County commuter rail project (6.1% of all state funds for transit).

The Mass Transit Tax revenues (20.2% of all state funds for transit) are allocated to transit and transportation districts for transit operations and capital expenditures.

General property and income taxes provides funds (14.2% of all state funds for transit) for discretionary allocation for operation, equipment, and track improvements for the Oregon High Speed Rail Program.

Connect Oregon uses bond proceeds to support improvements to multimodal infrastructure targeted for economic benefit (1.5% of all state funds for transit).

North Carolina

Key Statistics about North Carolina State Funds for Transit

Population 2006	8,869,442
Total State Funds for Transit 2006	$66.5 million
Per Capita State Investment	$7.49
Rank for Population	#10
Rank for Total State Funds for Transit	#17
Rank for Per Capita State Investment	#21

Sources of Funding

North Carolina's state funding for transit comes primarily from motor fuel taxes and highway use taxes. *(11)* A small share of funds is from the motor vehicle sales tax.

Overview of North Carolina State Funding Programs

Programs for funding transit in North Carolina are summarized in 12 programs.

The largest program for application of state funds for transit in North Carolina is for Urban and Regional Maintenance Assistance. A formula allocation is made to fixed-route systems for operations only. The state share cannot exceed the local contribution. The total funds for this program represented 45% of North Carolina state funds in 2006.

Capital grants are awarded to rural transportation systems to match federal Section 5311 funds. This funding program is 11.7% of state funds for transit in North Carolina.

The next largest funding program represents 8.3% of state funds for local transit services for the elderly and persons with disabilities. Formula allocation is made to 100 counties for operations assistance only. In addition, each of the 100 counties received a formula allocation to assist with Work First and employment transportation needs. This allocation was another 2.6% of all state funds for transit.

The Statewide Transit Development Program received 6.9% of state funds in 2006. Discretionary awards were used to match federal apportionments for statewide transportation demand management programs, regional transit planning activities, and demonstration projects.

Operation assistance is provided for rural transit services for the general public. In 2006, 6.8% of state funds were allocated based on a prescribed formula to rural agencies that provided transit services to the general public to be used for operating assistance only.

In addition, a portion of state funds (4.1%) was used to fund the administrative costs of rural transportation systems meeting certain criteria (urban area counties and rural systems serving only human service agency clients).

North Carolina provides state funds to fund up to 25% of New Start projects, subject to appropriations. In 2006, 6.1% of state funds were used to fund New Start projects.

The state funds up to 50% of local match for urban and regional federal capital grants (Section 5307 and 5309). In 2006 the funds for this program were 3.9% of all state funds for transit. In 2006, the Urban and Rural Technology program was 3.2% of all state funds for transit for urban and rural systems to improve customer convenience and system effectiveness.

The final two funding programs for North Carolina are relatively small. Less than 1% of funds in 2006 were used as project grants for administrative and operations facilities in rural areas. Finally, less than 1% of funds were allocated for rural intercity services.

Indiana

Key Statistics about Indiana State Funds for Transit

Population 2006	6,302,646
Total State Funds for Transit 2006	$40.2 million
Per Capita State Investment	$6.38
Rank for Population	#15
Rank for Total State Funds for Transit	#19
Rank for Per Capita State Investment	#22

Sources of Funding

The source of state funding for public transit in Indiana is revenues from the state sales and use tax. The Public Mass Transportation Fund receives revenues from 0.635% of the state sales and use tax. The Commuter Rail Service Fund is funded by 0.14% of the state sales and use tax.

Overview of Indiana State Funding Programs

The Public Mass Transportation Fund represented 81.3% of all state funding for transit in 2006. Funds are allocated to local transit agencies based on total boardings, total vehicle miles of travel, and the amount of local derived income.

The Commuter Rail Service Funds supports the Northwest Indiana Commuter Transportation District that operates commuter rail service between South Bend, Indiana and Chicago, Illinois (South Shore Line). In 2006, the fund accounted for 18.7% of all state funding for transit.

Washington State

Key Statistics about Washington State Funds for Transit

Population 2006	6,374,910
Total State Funds for Transit 2006	$39.3 million
Per Capita State Investment	$6.17
Rank for Population	#14
Rank for Total State Funds for Transit	#20
Rank for Per Capita State Investment	#24

Sources of Funding

State funding for public transportation and passenger rail services comes from the state Multimodal Transportation Fund. Fees, sales tax on new and used cars, and other non-gas tax revenues are the main source for this account. In 2005, the Washington State Legislature added vehicle weight fees as a source of revenue that can be used for non-highway projects. The Washington state constitution prohibits the use of gas tax on non-highway programs.

Overview of Washington State Funding Programs

In May 2003, the Washington State Legislature passed a 10-year transportation funding program that established new grants for public transportation, special needs/paratransit services, vanpools, and commute trip reduction. The new revenue is also available for both capital and operating projects within the passenger rail program.

State funds in Washington fund nine programs. Four of the nine programs are matches for federal programs. The remaining programs emphasize trip reduction, rural mobility, and transit services for individuals with special needs.

Colorado

Key Statistics about Colorado State Funds for Transit

Population 2006	4,766,248
Total State Funds for Transit 2006	$21.8 million
Per Capita State Investment	$4.57
Rank for Population	#22
Rank for Total State Funds for Transit	#25
Rank for Per Capita State Investment	#26

Sources of Funding

A transportation funding bill was passed by the Colorado Legislature in 2002 that provided state funding for future transit-related purposes. The bill set aside 10% of certain general transportation funds (Senate Bill 1 of 1997) for strategic, transit-related purposes. These funds are derived from state general sales tax revenues that exceed certain thresholds.

The thresholds were exceeded for the first time in fiscal 2006.

Funding is expected to be available through fiscal 2010 unless the Legislature commits funding to other purposes that reduce the sales tax revenues that exceed the threshold for Senate Bill 1. In 2006, $21.6 million in state funds were used for strategic projects, which are defined as capital and planning projects that increase mobility and make strategic regional connections.

Arizona

Key Statistics about Arizona State Funds for Transit

Population 2006	6,165,689
Total State Funds for Transit 2006	$18 million
Per Capita State Investment	$2.93
Rank for Population	#16
Rank for Total State Funds for Transit	#26
Rank for Per Capita State Investment	#29

Sources of Funding

The source of funds for transit in Arizona is the lottery. A small fund is allocated from general funds for planning.

Overview of Arizona State Funding Programs

There are two programs for the allocation of all state funds for public transit in Arizona. Lottery funds are used for operating, capital and planning for public or special needs transportation (greater than 99% of all state funds for transit). The funds are distributed to cities, towns, and counties based on population. The second program uses general funds for planning (less than 1% of all state funds for transit).

Ohio

Key Statistics about Ohio State Funds for Transit

Population 2006	11,463,513
Total State Funds for Transit 2006	$16.3 million
Per Capita State Investment	$1.42
Rank for Population	#7
Rank for Total State Funds for Transit	#27
Rank for Per Capita State Investment	#32

Sources of Funding

The source of state funds for transit in Ohio is the general fund.

Overview of Ohio State Funding Programs

State funds for transit in Ohio are used to fund four programs. In addition, 4.3% of funds are allocated for administration costs.

The Transit Fare Assistance Program for the elderly and persons with disabilities provides financial support to transit systems that offer reduced fares to eligible riders. The Transit Fare Assistance Program received 36.8% of state funds in 2006.

The Ohio Urban Transit Program provides financial assistance to public transportation systems in areas with populations of 50,000 or greater. A transit system may use the funds for up to 50%

of the non-federal share of operating expenses, 10% of planning expenses, or 80% of capital expenses. In an urbanized area with a population of 200,000 or greater, funding is limited to capital projects only. The Ohio Urban Transit Program received 33.7% of state funds in 2006.

The Ohio Rural Transit Program provides financial assistance to public transportation systems in areas with populations of less than 50,000. Program funds may be used for up to 30% of the non-federal share of operating expenses and 10% of capital expenses. The Ohio Rural Transit Program received 20.2% of state funds in 2006.

Almost 5% of state funds were used to finance the Ohio Coordination Program in 2006. This program provides financial assistance in the coordination of transportation services among transportation providers.

Texas

Key Statistics about Texas State Funds for Transit

Population 2006	23,407,629
Total State Funds for Transit 2006	$28.8 million
Per Capita State Investment	$1.23
Rank for Population	#2
Rank for Total State Funds for Transit	#24
Rank for Per Capita State Investment	#34

Note: The Texas investment of state funds for transit is discussed in more detail in Section 3.4.

Sources of Funding

In fiscal 2006, transit funds were allocated from the State Highway Fund. The revenues were from sources that can be used for non-highway projects, such as vehicle certificates, special vehicle registrations, commercial transportation fees, and the sale of publications.

Overview of Texas State Funding Programs

Texas provides state funding for small urban and rural transit systems. The formula for allocating funds considers need (as measured by population for small urban transit systems and by population and land area for rural transit districts) and performance. Sixty-five percent of all state funds for transit are for capital and operating expenses in rural areas, and 35% of all state funds for transit are for capital and operating expenses in small urban areas. Small urban areas are generally urbanized areas with a population less than 200,000 and without access to a local option sales tax for transit.

Missouri

Key Statistics about Missouri State Funds for Transit

Population 2006	5,837,639
Total State Funds for Transit 2006	$6.8 million
Per Capita State Investment	$1.16

Rank for Population	#18
Rank for Total State Funds for Transit	#30
Rank for Per Capita State Investment	#37

Sources of Funding

The source of state funding for public transit in Missouri is revenues from general revenue funds. The Missouri constitution prohibits the state gas tax revenues from being used for anything other than roads. General revenue funds are originally sourced to the state sales tax and income taxes.

Overview of Missouri State Funding Programs

About 56% of state funds in Missouri are allocated to urban and rural public transit providers to partially offset operating deficits. The remaining 44% of state funds are used to offset operating deficits of not-for-profit agencies that provide mobility trips to seniors and persons with disabilities. The funds are allocated based on a formula that takes into account the proposed number and types of transit trips.

Georgia

Key Statistics about Georgia State Funds for Transit

Population 2006	9,342,080
Total State Funds for Transit 2006	$4.7 million
Per Capita State Investment	$0.50
Rank for Population	#9
Rank for Total State Funds for Transit	#34
Rank for Per Capita State Investment	#43

Sources of Funding

State transit funding in Georgia is subject to the annual state budget appropriations process. The source of revenues is the general state sales tax.

Overview of Georgia State Funding Programs

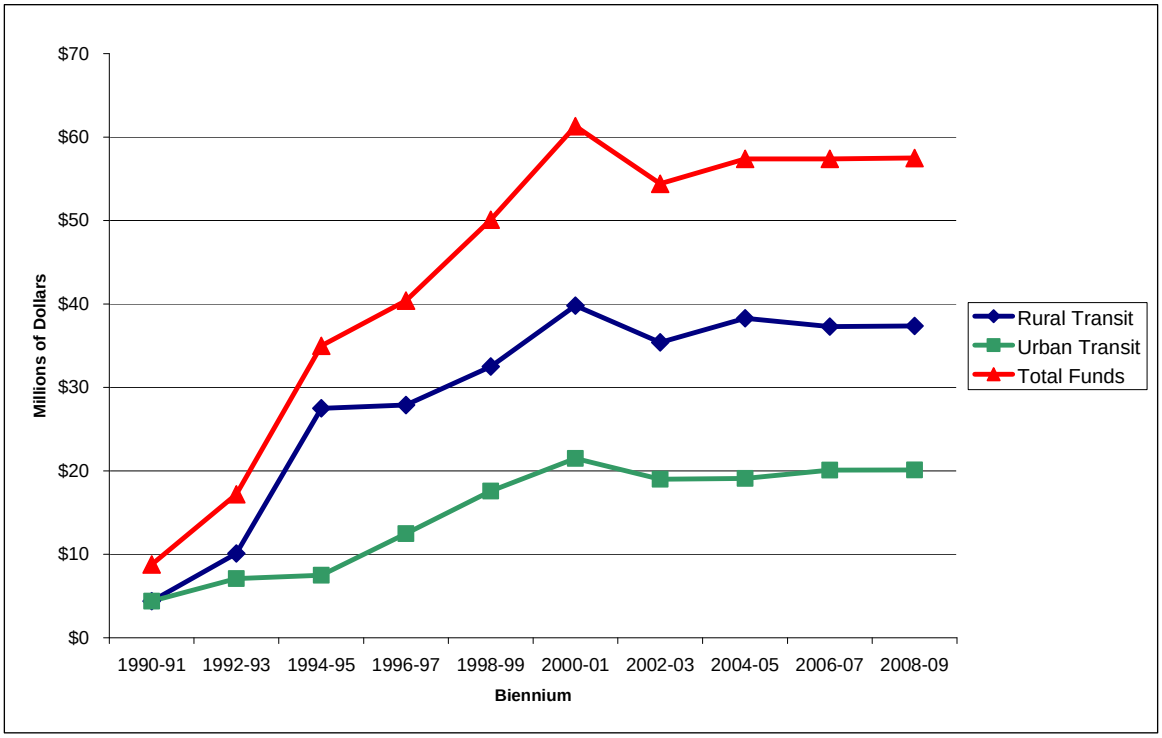
Georgia provides state funding for urban and rural transit systems. Funds may be used for capital and planning, but not operating. State funding for the Metropolitan Atlanta Rapid Transit Authority (MARTA) is included within the urban capital program. The Urban Capital Program is 88.4% of all state funds for transit, and the Rural Capital Program is 7.6% of all state funds for transit. The Georgia Department of Transportation also provides planning support (4% of all state funds).

Utah

Utah did not invest state funds for transit in 2006. The state is listed here because one of the regional transit systems profiled in Chapter 4.0 of this report is the Utah Transit Authority in Salt Lake City.

3.4 TEXAS – STATE FUNDS FOR TRANSIT

The State of Texas provides financial support to transit providers in rural and eligible small urban areas. State funding levels are established each biennium by the Texas Legislature. The Legislature appropriated $57.4 million in state funds for public transportation for the 2006-07 biennium, equal to about $28.7 million in state funds for fiscal 2006. The same level of state funding is available to rural transit and eligible small urban operators for the 2008-09 biennium. **Figure 4** displays the Texas state funding levels for transit since 1990. [12]



Source: Records from TxDOT compiled by TTI

Figure 4. Texas State Appropriations for Public Transportation per Biennium

In Texas, the funds for transit are from sources that can be used for non-highway projects, such as vehicle certificates, special vehicle registrations, commercial transportation fees, and the sale of publications.

Eligibility for State Funds

Texas provides financial support to 32 eligible urban areas (includes small urban areas population 50,000 to 199,999) and 39 transit providers in rural areas (population less than 50,000). Generally, the state does not provide funding assistance to urban areas with a population 200,000 or more and the legislative authority to ask voter approval to create a transit authority with a dedicated sales tax.

[12] The higher funding level in 2000-01 biennium reflects supplemental revenues from oil overcharge funds.

However, there are three variations on the general explanation of small urban areas that are eligible for state funds. State funds are allocated to two large urban areas with a population greater than 200,000 that cannot create a transit authority under existing legislation: Lubbock and McAllen/Hidalgo County. State funds are also allocated to four transit providers within the Dallas-Fort Worth-Arlington urbanized area (population greater than 1 million) that have declined to join a regional transit authority: Arlington[13], Grand Prairie, Mesquite, and the cities in Tarrant County that joined to create the Northeast Transportation Service (NETS). Each of these four providers sponsors an urban transit system that limits passenger eligibility to seniors and persons with disabilities. The third variation is Laredo, a city that has approved a local sales tax but the Census 2000 population for the urban area is less than 200,000, and so the city remains eligible for state funds.

Table 7 identifies each of the transit systems in Texas, with an indication of eligibility for state funds to support transit. The reference to "transit users limited" refers to an urban transit system that limits passenger eligibility to seniors and persons with disabilities. The availability of local sales tax for transit is discussed in more detail in Chapter 4.0 of this report.

[13] The population of Arlington is also more than 200,000.

Table 7. Urban Transit Systems in Texas

In order of size of the urban area based on Census 2000 population

State of Texas Urban Area	Transit System	Local Sales Tax for Transit	Eligible for State Funds	Transit Users Limited
Very Large Urban Areas (Population 1,000,000 or more) in Texas				
Houston	Metropolitan Transit Authority of Harris County (METRO)	●		
Dallas-Ft Worth-Arlington	Dallas Area Rapid Transit (DART)	●		
	Fort Worth Transportation Authority (The T)	●		
	Arlington (Handitran)		●	●
	City of Grand Prairie (Grand Connection)		●	●
	City of Mesquite		●	●
	Northeast Transportation Services (NETS)		●	●
San Antonio	VIA Metropolitan Transit	●		
Large Urban Areas (Population 200,000 to 999,999) in Texas				
Austin	Capital Metropolitan Transit Authority (Capital Metro)	●		
El Paso	El Paso Mass Transit Department (Sun Metro)	●		
Corpus Christi	Regional Transportation Authority (RTA)	●		
McAllen/Hidalgo County	City of McAllen (McAllen Express)		●	
	Lower Rio Grande Valley Development Council (Rio Metro)		●	
Lubbock	City of Lubbock (Citibus)		●	
Denton-Lewisville	Denton County Transportation Authority (DCTA)	●		
Small Urban Areas (Population 50,000 to 199,999) in Texas				
Amarillo	City of Amarillo Transit Company		●	
Laredo	Laredo Transit Management, Inc. (El Metro)	●	●	
Killeen	Hill Country Transit District (The Hop)		●	
Brownsville	City of Brownsville Urban System (BUS)		●	
Waco	Waco Transit System, Inc. (WTS)		●	
Beaumont	City of Beaumont Transit System		●	
College Station - Bryan	Brazos Transit District (The District)		●	
Port Arthur	City of Port Arthur Transit (PAT)		●	
Harlingen-San Benito	Lower Rio Grande Valley Development Council		●	
Abilene	City of Abilene Transit System (CityLink)		●	
Odessa	Midland-Odessa Urban Transit District (EZ RIDER)		●	
Midland	Midland-Odessa Urban Transit District (EZ RIDER)		●	
Tyler	City of Tyler Transit System		●	
Wichita Falls	Wichita Falls Transit System		●	
Texas City - La Marque	The Gulf Coast Center (Connect Transit)		●	
The Woodlands	Brazos Transit District (The District)		●	
San Angelo	Concho Valley Transit District		●	
Longview	City of Longview Transit (COLT)		●	
Lake Jackson - Angleton	The Gulf Coast Center (Connect Transit)		●	
Temple	Hill Country Transit District (The Hop)		●	
Victoria	Golden Crescent Planning Commission (Victoria Transit)		●	
Sherman-Denison	Texoma Council of Governments (TAPS)		●	
Galveston	City of Galveston (Island Transit)		●	
McKinney	Collin County Committee on Aging		●	
Texarkana (Texas)	Texarkana Urban Transit District (T Line)		●	

Source: TTI based upon information from TxDOT-PTN and the transit agencies

Funding Formula

In 2003, the 78th Texas Legislature approved House Bill 3588 that directed the Texas Transportation Commission (Commission) to develop a methodology and formula for allocating state urban and rural public transportation funds and federal Section 5311 funds among eligible providers. The legislation states that the formula may take into account a transportation

provider's performance, the number of its riders, the need of residents in its service area for public transportation, population, population density, land area, and other factors established by the Commission. In June 2004, the Commission established formulas to allocate state and federal funds for public transportation based on need and performance. Prior to this time, allocations for funding were not based on performance but rather on an allocation of the funds available in proportion to what was allocated the prior year. In June of 2006, the Commission amended the formula to better reflect the requirements of House Bill 3588. The funding formula is administered by the Texas Department of Transportation, Public Transportation Division (TxDOT-PTN).

State funding for public transportation is split 35% to small urban areas and 65% to rural areas. Federal 5311 funds are distributed to rural areas using the same formula as State funds.[14] The funding formula allocates funds to each transit system according to needs and performance. The portion of the formula attributed to needs is allocated to small urban transit systems based on population in each urban area (100%). Rural systems receive the needs allocation based upon population (weighted 75%) and land area (weighted 25%).

Several measures are used to allocate funding based upon the performance. These measures include revenue miles per operating expense, riders per revenue mile, local investment per operating expense, and riders per capita (urban systems only). The funding formula including weighting of performance indicators is illustrated in **Figure 5**.

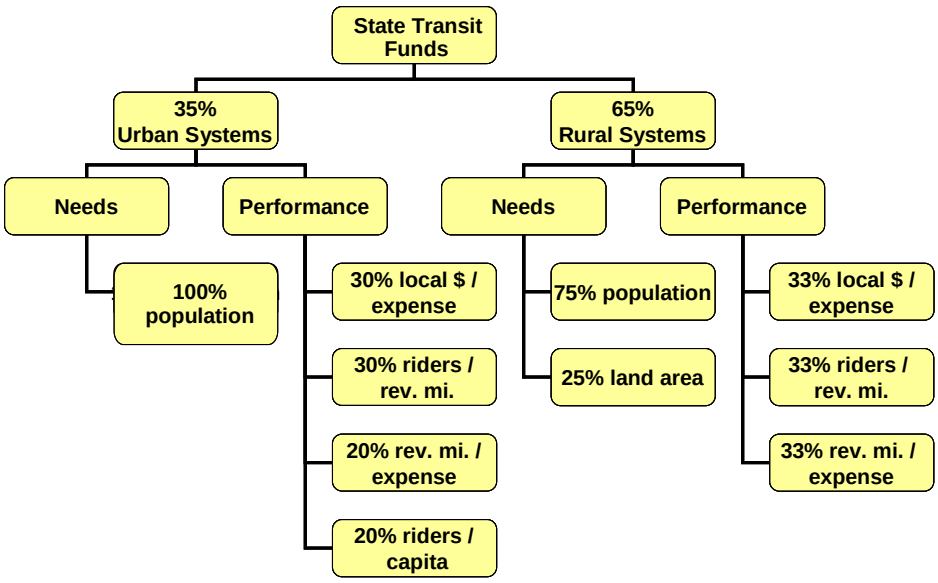


Figure 5. Funding Formula for Texas State Funds for Transit

[14] The FTA apportions funds for small urban areas with a population of less than 200,000 to the governor of each state for allocation. In Texas, the governor has designated the Commission as responsible for the allocation of small urban funds. The policy of the Commission is to allocate to each small urban area the amount originally apportioned by FTA formula. The FTA apportionment is based on the population and population density of each urban area.

The initial weighting of needs and performance in the allocation was 80% needs and 20% performance for 2007. The weights will increase the significance of performance over time. **Figure 6** displays the transition of these weights from 2007 to 2010.

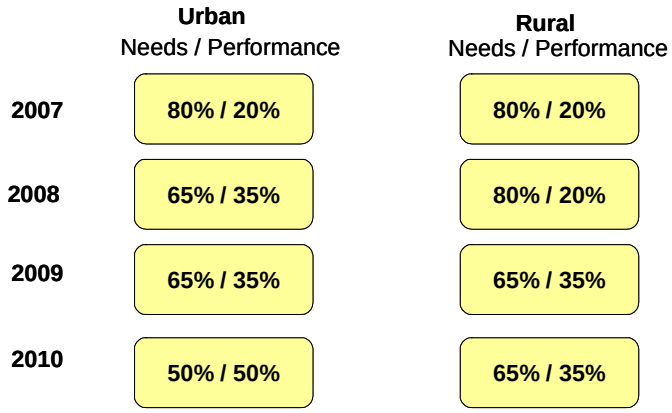


Figure 6. Weights for Need and Performance for Texas State Funding Formula

Small urban systems moved to a higher weighting on performance more quickly than rural systems. Urban systems transitioned to 65% need and 35% performance in 2008 and will make a second transition to 50% need and 50% performance in 2010. Rural systems transition to 65% needs and 35% performance in 2009. This is the maximum intended weighting for performance for rural systems. Rural transit providers in Texas meet many challenges in distance and low population density that affect performance.

The implementation of the formula program redistributed funding to providers, resulting in more funds to some providers and fewer funds to other providers. Built into the formula is an annual adjustment of funds until all providers receive the appropriate funding level according to formula. The annual adjustment for any one provider is limited to a maximum 10% decrease from year to year to provide funding stability. This limit on the maximum decrease at 10% also requires that annual increases are limited so that the total funding is the same.

An additional consideration is that TxDOT first sets aside monies for “limited eligibility providers,” who are providers that restrict transit eligibility for public transportation to the elderly and persons with disabilities. Texas Transportation Code Chapter 456, “Limitations Use of Funds,” calls out limits and conditions on “designated recipients not included in a transit authority but located in an urbanized area that includes one or more transit authority and that received state transit funding during the biennium ending August 31, 1997” (Arlington, Grand Prairie, Mesquite, NETS). A portion of state transit funds is first set aside for these four areas and limits the funding to the 1996-1997 biennium level. These four providers serving elderly and persons with disabilities are in a separate pool and performance is compared within the four providers.

4.0 Local Sources of Revenue for Regional Transit

Previous chapters provided an overview of the primary sources of federal funding for transit and presented information on state funding sources, amounts, and eligible uses of the funds to support transit. The purpose of this chapter is to categorize and describe the revenue sources currently used by local and regional governments to fund transit. This chapter also identifies the emerging financing tools that may complement the existing funding measures. Profiles of 56 transit agencies in 32 metropolitan areas are included in this chapter to document the sources of local revenues for transit, particularly for rail transit, in the U.S.

4.1 NATIONAL OVERVIEW OF LOCAL FUNDS FOR TRANSIT

Local investment in urban transit in the U.S. is significant. The National Transit Database (NTD) documents the application of funds by source and by category of expense (operating or capital) for all urban transit systems.[15] The NTD is the national database of statistics for the transit industry. The NTD is comprised of data reported by more than 600 transit agencies across the U.S., which are then analyzed and compiled into reports published by FTA and made available to the public on the NTD Program website. The NTD data are also used in the formula allocations of federal transit funds. *(12)*

Operating Funds Applied[16]

As illustrated in **Table 8**, the percent of funds collected from fare revenues represented 34% of total operating funds applied nationally in 2006. Directly generated revenues are any revenues generated by or donated directly to the transit agency in addition to passenger fare revenues, such as advertising revenues, donations, bond proceeds, and taxes imposed directly by the transit agency. According to the NTD, directly generated revenues other than fares represent 15% of operating funds applied. Therefore, the total percent of funds attributable to fares and other directly generated revenues is 49%, almost one-half of total operating funds applied. Additional local funds are contributed by local or regional governments to the transit agency. Local funds add another 21% making the total local contribution based on national statistics more than 69% of operating funds applied. State funds account for almost 23% and federal grants account for 8%.

[15] The NTD will also include data for rural transit systems beginning fiscal 2007.

[16] "Funds applied" is a term used in the NTD to reference revenues that are actually expended for operating or capital and do not include revenues earned but not used during the fiscal year.

Table 8. Source of Operating Funds Applied by Size of Urban Area in the U.S., 2006

National Size of Urban Area	Operating Funds Applied (dollars in millions) Fares	Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population	$191	$141	$221	$200	$243	$996
200,000 to 999,999 Population	$494	$447	$846	$569	$400	$2,755
1 Million or More Population	$9,668	$3,909	$5,295	$6,104	$1,881	$26,857
National Totals	$10,353	$4,497	$6,363	$6,872	$2,523	$30,608
Percent of Total by Source	33.8%	14.7%	20.8%	22.5%	8.2%	100.0%
Total Percent Local Share		69.3%				

Source: NTD 2006

There are differences in the source of local operating funds applied by size of the urban area. In urban areas with a population of 200,000 or more, the operating expenses eligible for federal fund reimbursement are generally limited to preventive maintenance. Consequently, the state and local contributions are greater in larger urban areas. As shown in **Table 9**, the transit systems in large urban areas (population 200,000 to 999,999) generally apply more funds from local investment as the percent of federal funds decreases. Transit systems in very large urban areas (population 1 million or more) rely more on revenues generated from fares than any other category of funds.

Table 9. Percent of Operating Funds Applied by Source and Size of Urban Area in the U.S., 2006

National Size of Urban Area	Percent Operating Funds Applied Fares	Directly Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population	19.2%	14.2%	22.2%	20.1%	24.4%	100%
200,000 to 999,999 Population	17.9%	16.2%	30.7%	20.6%	14.5%	100%
1 Million or More Population	36.0%	14.6%	19.7%	22.7%	7.0%	100%
National Totals	33.8%	14.7%	20.8%	22.5%	8.2%	100%

Source: NTD 2006

Capital Funds Applied

For capital funds applied, federal funds play a larger role. As shown in **Table 10,** based on national data for all urban transit systems, federal funds represented 44% of capital funds applied in fiscal 2006.[17] Virtually every federal project requires a "local match." The match can be funds from the state or local agencies. In fiscal 2006 the funds applied to capital projects were 13% funded from state resources, 28% from funds dedicated to transit at the local or regional level, and 15.5% from other local revenues.

[17] Federal funds include 91% grants from FTA, 0.3% from other U.S. Department of Transportation agencies, and 8% other federal programs.

Table 10. Source of Capital Funds Applied by Size of Urban Area in the U.S., 2006

National Size of Urban Area	Capital Funds Applied (dollars in millions)				
	Directly Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population	$13	$30	$22	$150	$215
200,000 to 999,999 Population	$383	$44	$113	$400	$941
1 Million or More Population	$3,125	$1,907	$1,563	$5,002	$11,596
National Totals	$3,521	$1,981	$1,698	$5,552	$12,752
Percent of Total by Source	27.6%	15.5%	13.3%	43.5%	100.0%
Total Percent Local Share	43.1%				

Source: NTD 2006

The sources of capital funds applied are different by size of the urban area, as shown in **Table 11**. In small urban areas (population 50,000 to 199,999), the federal share of the capital program is 70%, the state share is 10% and the local share is 20%. In large urban areas, the federal share is 43% of all capital funds applied, the state share is 12% and the local share is about 45%. In very large urban areas, 43% of capital funds applied is from local and regional sources including taxes directly dedicated to the transit agency.

Table 11. Percent of Capital Funds Applied by Source and Size of Urban Area in the U.S., 2006

National Size of Urban Area	Percent Capital Funds Applied				
	Directly Generated Revenues	Local	State	Federal	Total
50,000 to 199,999 Population	6.0%	13.8%	10.3%	69.8%	100%
200,000 to 999,999 Population	40.8%	4.7%	12.0%	42.5%	100%
1 Million or More Population	26.9%	16.4%	13.5%	43.1%	100%
National Totals	27.6%	15.5%	13.3%	43.5%	100%

Source: NTD 2006

The continuing theme through all the analyses of funds applied for either operating or capital is the significance of the local investment. In Section 4.3, the types of local and regional funding will be identified and categorized.

4.2 TEXAS OVERVIEW OF LOCAL FUNDS FOR TRANSIT

The local investment in urban transit in Texas is a larger percent of total funding than the national average. In Texas, larger urbanized areas are eligible to ask voter approval for a local option general sales tax for transit. There are nine urban areas that have passed a local option

sales tax for a transit authority or transit department, and two cities (San Antonio and Grapevine) that have passed a local option sales tax for a specific transit purpose.

Urban Area	Transit Authority, Transit Department or City	Sales Tax Rate
Houston	Metropolitan Transit Authority of Harris County	1.0%
Dallas	Dallas Area Rapid Transit	1.0%
Fort Worth	Fort Worth Transportation Authority	0.5%
	Grapevine (for commuter rail)	0.375%
San Antonio	VIA Metropolitan Transit	0.5%
	San Antonio Advanced Transportation District	0.25%
Austin	Capital Metropolitan Transportation Authority	1.0%
Corpus	Christi Regional Transportation Authority	0.5%
El Paso	El Paso Mass Transit Department	0.5%
Denton County	Denton County Transportation Authority	0.5%
Laredo[18]	Laredo Transit Management, Inc.	0.25%

In addition to the transit authorities and transit departments in these urban areas, there are 30 urban transit systems in Texas that are not supported by a local sales tax dedicated to transit. The city and the transit system are identified in **Table 7** in Section 3.4 of this report. The data as reported by transit systems in Texas for operating and capital expenses are summarized in the following tables.

Operating Funds Applied

Table 12 documents the operating funds applied by size of urban area in Texas. The percent of funds earned from fare revenues in Texas represented 13% of total operating funds, as compared to 34% nationally in 2006. However, directly generated revenues other than fares represented almost 71% of operating funds applied in Texas as compared to 15% nationally. Local funds are contributions from local government general fund, contributions from private sector, or funds donated for transit. Local funds add another 1% in Texas, making the total local investment in Texas 85% of operating funds applied as compared to the national average of 69% (see **Table 8**).

In Texas, state funds account for less than 1% and federal grants account for almost 15% of all operating funds applied. The national average is 23% state funds and 8% federal funds (see **Table 8**).

[18] Laredo is classified as a small urban area (population less than 200,000) as of the 2000 Census and is the only transit system with a local sales tax dedicated to transit that also receives state funding.

Table 12. Operating Funds Applied by Size of Urban Area in Texas, 2006

State of Texas	Operating Funds Applied (dollars in thousands)					
Size of Urbanized Area	Fares	Directly Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population [a]	$8,256	$2,174	$12,220	$8,040	$24,812	$55,502
200,000 to 999,999 Population [b]	$18,807	$160,606	$1,483	$1,165	$27,434	$209,494
1 Millon or More Population [a,c,d,e]	$123,146	$684,886	$880	$514	$123,392	$932,818
State of Texas Total	$150,208	$847,666	$14,583	$9,719	$175,638	$1,197,814
Percent of Total by Source	12.5%	70.8%	1.2%	0.8%	14.7%	100.0%
Total Percent Local Share	84.5%					

Source: NTD 2006 and TxDOT-PTN
Notes:
[a] Longview, Texarkana, Tyler, Wichita Falls and NETS did not report to NTD 2006; data for these systems from TxDOT-PTN
[b] State funds applied in Lubbock, McAllen, and Lower Rio Grande Valley Rio Metro
[c] State funds applied in Arlington, Grand Prairie, Mesquite, NETS
[d] Dallas DART reports dedicated local sales tax for transit as State dedicated in NTD; value included as Directly Generated here
[e] San Antonio VIA reports dedicated local sales tax for transit as Local dedicated in NTD; value included as Directly Generated here

Table 13 illustrates the differences in operating funds applied by size of the urban area in Texas. The transit systems in small urban areas rely 45% on federal funds and 14.5% on state funds – leaving the balance or about 41% from fares, directly generated revenues, and local funds. Larger urban areas apply more funds from directly generated revenues. Federal funds for operating are applicable only to preventive maintenance in larger urban systems. In Texas, federal funds for preventive maintenance generate about 13% of total operating expense in large and very large urban areas. With the exception of state funds applied to a few transit systems,[19] the larger urban areas are not eligible for state funds in Texas. With limited access to federal funds for operating and absent state funding assistance, the larger urban systems in Texas rely on directly generated revenues (the local option sales tax for transit) to fund operating expenses.

[19] In large urban areas, Lubbock and the McAllen/Hidalgo County urbanized areas receive state funds because neither area has access to the local option sales tax for transit. In very large urban areas, statutory provisions permit state funds for the transit systems in Arlington, Grand Prairie, Mesquite, and NETS that are not part of a regional transit authority in the Dallas-Fort Worth-Arlington urbanized area.

Table 13. Percent of Operating Funds Applied by Source and Size of Urban Area in Texas, 2006

State of Texas	Percent Operating Funds Applied					
Size of Urbanized Area	Fares	Directly Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population	14.9%	3.9%	22.0%	14.5%	44.7%	100%
200,000 to 999,999 Population	9.0%	76.7%	0.7%	0.6%	13.1%	100%
1 Millon or More Population	13.2%	73.4%	0.1%	0.1%	13.2%	100%
State of Texas Total	12.5%	70.8%	1.2%	0.8%	14.7%	100%

Source: NTD 2006 and TxDOT-PTN

Capital Funds Applied

Table 14 shows capital funds applied by size of urbanized area in Texas in 2006. In Texas, federal funds represent 34% of capital expense and state funds contribute less than 1% toward total capital funds applied. The largest source of funds for capital investment for transit in Texas is directly generated revenues (the local option sales tax for transit in larger urban areas), representing 64% of total capital funds applied. This compares to the national averages for urban transit systems – 44% federal funds, 13% state funds, and 43% local revenues (see **Table 10**).

Table 14. Source of Capital Funds Applied by Size of Urban Area in Texas, 2006

State of Texas	Capital Funds Applied (dollars in thousands)				
Size of Urbanized Area	Directly Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population	$89	$1,791	$1,661	$11,394	$14,934
200,000 to 999,999 Population	$44,608	$701	$107	$15,190	$60,607
1 Millon or More Population	$236,708	$6,864	$36	$122,361	$365,969
State of Texas Total	$281,405	$9,356	$1,803	$148,946	$441,510
Percent of Total by Source	63.7%	2.1%	0.4%	33.7%	100.0%
Total Percent Local Share	65.9%				

Source: NTD 2006

Table 15 presents the percent of capital funds applied by size of urban area and by source of the funds. In Texas, large urban areas rely 25% on federal funds for capital projects, less than 1% on state funds and the balance, or 74%, on locally generated revenues. The very large urban areas rely on 33% federal, 2% state, and 65% local revenues. Small urban areas call upon federal revenues to fund 76% of all capital projects. Of the balance, about one-half is funded from state funds and the remaining one-half from local revenues.

Table 15. Percent of Capital Funds Applied by Source and Size of Urban Area in Texas, 2006

State of Texas	Percent Capital Funds Applied				
Size of Urbanized Area	Directly Generated Revenues	Local Other	State	Federal	Total
50,000 to 199,999 Population	0.6%	12.0%	11.1%	76.3%	100%
200,000 to 999,999 Population	73.6%	1.2%	0.2%	25.1%	100%
1 Millon or More Population	64.7%	1.9%	0.0%	33.4%	100%
State of Texas Total	63.7%	2.1%	0.4%	33.7%	100%

Source: NTD 2006

Comparing Texas statistics in **Table 15** to national data in **Table 11**, urban transit systems in Texas rely less on federal funds than their national peers by size of urban areas. State funds are an important funding source for small urban areas in Texas, but insignificant for most transit systems in large urban or very large urban areas.

The most significant source of funds for transit systems in large urban areas and very large urban areas in Texas are directly generated revenues by transit authorities and investments by local governments.

4.3 TYPES OF REVENUES USED AS LOCAL FUNDS FOR TRANSIT

There are several resources to assist in identifying and categorizing the types of revenues that are available to fund transit. The topic has been the subject of extensive research for TCRP and the National Cooperative Highway Research Program (NCHRP). In addition, studies have been conducted for and on behalf of the FTA, AASHTO, APTA, and numerous local transit agencies.

In a report for NCHRP *Future Financing Options to Meet Highway and Transit Needs*, Cambridge Systematics generally defined three major categories of revenue. *(1)*

- **User fees** – User fees are collected from individuals or organizations that use or could use transit services.
    - Direct user fees – Direct user fees are typically applied at the point and time of use and include transit fares, tolls, and parking fees.
    - Indirect user fees – Indirect user fees are not collected in association with an actual trip itself. Examples of indirect user fees are motor fuel taxes, vehicle registration fees and excise taxes. Other types of operating revenue that are classified as indirect user fees are concessions, advertising income and other revenues collected by a transit agency.

- **Specialized taxes** – Specialized taxes are applied to and collected based on non-transportation activities, but are dedicated to transportation.
    - State and local option taxes are included as specialized taxes if the money generated is dedicated to be spent on transportation.
    - Leases and some forms of improvement district taxes or fees are included in this category.
    - This category also includes value capture techniques such as development impact fees and special assessment districts.
- **General taxes** – General taxes are those that are collected and used for broad purposes, of which transportation may be one purpose.
    - The largest sources of income in this category are income taxes, property taxes, general sales taxes, and other ad valorem taxes that are not dedicated for transportation.
    - Included in this category are taxes on various business activities such as employer or payroll taxes, corporate franchise taxes, and business license fees.
    - General taxes also include revenues from general funds and other miscellaneous and public funds.

For the purpose of this study, a more detailed typology is useful in order to more specifically define and document the myriad of sources of local and regional sources of revenue for regional transit. The following is a typology that is particularly logical and useful. *(1, 13)*

- **Transit-generated revenues** – Revenues generated by transit services (fares) or directly by the business activities of the local or regional transit agency.
- **General (government) revenues and taxes** – General revenue and taxes include all broad-based taxes that are traditional sources of revenue for transportation investments, including transit. These sources include sales tax, property tax, personal income tax, and the general fund of governmental entities (where these types of general revenues are typically deposited for general appropriation). Most of the taxes in this category are implemented on a statewide or local option basis.
- **Motor fuel and vehicle-related taxes or fees** – Revenues from motor fuel and vehicle-related taxes are differentiated from general revenues and taxes because of the close direct association with transportation investments.
- **User or market-based sources** – This category of revenue is often referred to as "new" or "innovative." The funding mechanisms are in use for transit in specific or limited examples. User or market-based sources include tolling, congestion pricing, emissions fees, and vehicle miles traveled (VMT) fees applied at the local and/or regional level.
- **Business activities** – These revenues include taxes and fees on businesses or business-related activities. The general basis for these types of revenues is the presumption that business economic activity is supported by and generates the need for public transportation.
- **Personal activities** – Revenues generated by taxes on gambling, cigarettes, or alcohol are sometimes referenced as "sin taxes."

- **Revenue streams from transit projects** – Revenues from transit projects generally refer to major capital investments that generate an income stream from private business and related development activities benefitting from the proximity to transit facilities and services.
- **Financing mechanisms** – Financing mechanisms are not actually sources of revenues. Rather, these are strategies for leveraging debt to support local and regional transit projects and programs. The terms are defined here because of the general tendency to lump these financing mechanisms with actual revenue-producing tools.

Table 16 describes each category of local or regional funding or financing mechanism, identifies a range of possible specific taxes or fees, and defines each from a layman's perspective. *(1, 12)*

In subsequent sections of this chapter, a cross-reference will be provided to identify states or locales where these funding mechanisms are used to finance transit systems in major metropolitan areas or to fund a regional rail project. Finally, the revenue generating ability of each tax or fee will be identified, along with a general assessment of applicability for local option based on the experience of peer transit agencies.

Table 16. Typology for Sources of Revenue for Local or Regional Transit

Source of Revenue	Description
Transit-Generated Sources *See also revenue type in this table:* Revenue Streams from Transit Projects	
Fares	Fares include all income received directly from passengers, either paid in cash or through prepaid tickets, passes, stored fare cards, etc.
Contract Services	Contract revenue is the payment or reimbursement by any organization, government, agency, or company, as a result of a formal contractual agreement with the transit service operator, for trips provided to a specific passenger or group of passengers.
Lease Revenue	Lease revenues may be earned from the payments for the use of capital assets (office buildings, stations, vehicles or equipment) owned by the transit agency and may include payment for access to rights-of-way (rail corridors).
Advertising Revenues	Advertising revenues are earned from displaying advertising materials on transit agency vehicles and property.
Concession Revenues	Concessions are revenue earned from granting operating rights to businesses on property or vehicles maintained by the transit agency.
Donations	Donations include contributions from individuals or organizations to help cover the transit system capital or operating costs.
General Revenues and Taxes	
General Revenues or General Fund	That fund into which the general (non-earmarked) revenues of a public entity (state government, local government, regional authority) are deposited and from which monies are appropriated to pay the general expenses of the entity. The monies available in the general fund are generally available to be used for most of the functions of the public entity without restrictions.
General Sales and Use Tax *See also:* Sales Tax on Motor Fuel and Motor Vehicle Sales Tax and *See also:* Gross Receipts Tax	Sales tax is a tax on retail sales of tangible personal property and certain taxable services. This is a sale to the end user, i.e., the ultimate consumer of the product or service.

Source of Revenue	Description
Property Tax *See also:* Vehicle Personal Property Tax	Property tax is the tax assessed on real estate by a local government. The tax is usually based on the value of property including the land. The property tax rate is often given as a percent (amount of tax per hundred currency units of property value). It may also be expressed as *per mille* (amount of tax per thousand currency units of property value), which is also known as a millage rate or mill levy. A mill is also one-thousandth of a dollar.
Income Taxes – Personal *See also:* Income Taxes – Corporate	An income tax is a tax levied on the financial income of a person. Individual income taxes often tax the total income of the individual (with some deductions permitted).
Motor Fuels and Vehicle-Related Taxes and Fees	
Motor Fuels Taxes *See also:* Business Taxes (Oil Company Franchise Tax or Petroleum Business Tax)	Revenue options related to motor fuel taxes. Often referenced as "gasoline tax" or "gas tax" but generally refers to any type of motor fuel and may include related products such as oil and lubricants.
Excise Tax	Motor fuel excise taxes are levied as an incremental tax per unit of sales (gallon) and may be a fixed rate or an adjustable rate, which could vary with changes in motor fuel prices or other factors. The excise tax can be indexed to adjust to inflation. Existing federal and state gas taxes are examples of an excise tax on motor fuels.
Sales Tax on Motor Fuel	Sales tax on motor fuel is a percent tax on the value of the purchase. A sales tax can be levied in addition to an excise tax.
Motor Vehicle Sales Tax	Vehicle sales taxes are normally levied as a percent of the sales price of a vehicle when it is purchased or first registered in a state.
Motor Vehicle Excise Tax	An excise tax is a tax levied on the purchase of a specific type of good or service. Generally, a motor vehicle excise tax is synonymous with a motor vehicle sales tax, but the use of the term sometimes refers to a fixed tax rather than a tax on the sale value. In other applications, an excise tax refers to a tax applied to the business as opposed to a sales tax to the consumer.
Motor Vehicle Use Taxes and Fees	Taxes and fees on the use of motor vehicles are commonly used to fund transportation.

Source of Revenue	Description
Vehicle Registration, Tags Weight Fees Vehicle Use Fees	Vehicle taxes include registration and related fees. Vehicle registration fees vary by vehicle class. For light vehicles, many states have a flat fee, whereas other states base the vehicle registration fee on weight or a combination of weight, age, horsepower, and value. For heavy vehicles, most vehicle registration fees are based on weight or function to assess a fee for road or highway use. Vehicle registration fees are the primary mechanism to tax new residents the first time a vehicle is registered in a taxing jurisdiction. *See Vehicle Personal Property Tax.*
License and Title Fees	License and title fees are another source of revenue generally generated by a transfer of ownership.
Inspection Fees	Inspection fees are generally charged on an annual basis and can include fees related to vehicle class or weight.
Vehicle Personal Property Tax	Some states and localities levy a personal property tax on vehicles. These fees are in effect registration fees based on the value of the vehicle. These fees have the strong advantage for vehicle owners in that they are deductible for those who itemize when filing for federal income taxes. Motor fuel taxes, traditional registration fees, and sales taxes which are often used to fund transportation are not deductible.
Car Rental Fees	Rental car taxes or car rental fees are additional levies attached to each occurrence of a car rental. This type of tax is incurred primarily by visitors to a region or to businesses that make extensive use of car rentals.
Vehicle Lease Fees/Taxes	Fees applied to vehicles when leased or leased for purchase. The fee may take form of a sales tax on the monthly lease payment.
Parking Fees	Parking fees are revenues earned for the use of a parking space. The full value of the fee may be earned for public transit if the facility is owned by the transit agency. Or an incremental tax or fee can be charged for parking, especially in congested areas, to discourage vehicle use.
Tire Fee	A tire fee is a flat fee per tire sold.

Source of Revenue	Description
User or Market-Based Sources	
Tolls/User Charges	Tolls are user fees paid for access to a road, bridge, or special lane and are applied per use.
Congestion Pricing	Congestion pricing is a system of surcharging users of a transport network in periods of peak demand to reduce traffic congestion. Examples include pricing or tolling road, bridge or tunnel use and fees to access busy activity centers.
Vehicle Miles Traveled (VMT) Fees	VMT fees are mileage-based user fees and congestion tolls. The VMT fee is proposed as a way to replace the motor fuel tax as the primary method of funding transportation investments. The Oregon State Department of Transportation is conducting a pilot test (2006-2009) designed to demonstrate the technical and administrative feasibility of implementing an electronic collection system for mileage-based user fees and congestion tolls.
Emissions Fees	Emissions fees are based on the amount of pollutants released by a specific vehicle. Broader applications of this type of approach are referred to as "carbon fees" that apply to a broader definition of business and uses.
Toll Credits or Transportation Development Credits	States may apply the value of certain highway expenditures funded with toll revenues toward the required local match on current federal aid projects, including transit projects. A state may substitute toll credits for state match only if the state demonstrates that the prior year highway spending equaled or exceeded the average of the prior three years' expenditures.
Business Activities	
Employer/Payroll Taxes	Employer taxes are generally the tax imposed directly on the employer for the amount of the gross payroll.
Gross Receipts Tax	A gross receipts tax, sometimes referred to as a gross excise tax, is a tax on the total gross revenues of a company, regardless of the source. A gross receipts tax is similar to a sales tax, but it is levied on the seller of goods or services rather than the consumer.

Source of Revenue	Description
Income Taxes – Corporate *See also:* Income Taxes - Personal	An income tax is a tax levied on the financial income of a corporation or other legal entity. When the tax is levied on the income of companies, it may be called a corporate tax, corporate income tax, or profit tax. Corporate income taxes often tax net income (the difference between gross receipts, expenses, and additional write-offs).
Corporate Franchise Taxes Oil Company Franchise Tax Petroleum Business Tax Long-lines Tax	A franchise tax is a business tax levied on the profit and taxable assets of a company. Franchise taxes may be levied on specific industries and economic activities, such as oil companies or companies in the business of wholesale petroleum products. A "long-lines tax" is a franchise tax on transportation/ transmission companies.
Business License Fees	Business license fees are paid to the state or local government for the privilege of being licensed to conduct business.
Utility Taxes/ Fees	A utility tax is levied on public services and businesses. Utility fees are taxes on public services such as cable, telephone, electricity, gas, sewer and water, and garbage. The tax may be levied directly to the user, or may be charged to the business that in turn assigns the cost to the user.
Mortgage Recording Taxes/Realty Transfer Fees	A mortgage recording tax is a tax on debt secured by certain mortgages on property in a taxing jurisdiction. A mortgage tax may also be a tax for improvements of residential structure.
Documentary Stamp Tax	A documentary stamp tax is levied on documents such as deeds, bonds, notes, and written obligations to pay money or on mortgages, liens, and other evidences of indebtedness.
Room/Occupancy	A room or occupancy tax refers to a consumer charge on lodging at hotels, rooming houses, campgrounds, etc. Typically referenced as hotel/motel taxes.
Container Fees	Fee charged per container that is used, or could be used, in a freight rail corridor to help pay for transportation infrastructure. Fee can also be charged as a surcharge on container movements to encourage time of day movements that are more efficient for a port or terminal.

Source of Revenue	Description
Personal Activities	
Lottery Revenue, Gambling	Revenues generated by taxes on permitted gambling businesses or revenues earned from government-sponsored lottery programs.
Cigarette Tax	A cigarette is a tax per pack or carton of cigarettes when purchased.
Liquor Tax	A liquor tax is a sales or excise tax on imposed on liquor based on some combination of alcohol content, price, and volume.
Revenue Streams from Transit Projects	
Transit-Oriented Development/Joint Development	Transit-oriented development is a mixed-use development that is close to and well-served by nearby transit that is conducive to transit riding. Joint development refers to the opportunity to generate a new funding stream for transit from the value to private businesses, developers, and real estate owners in proximity to transit services and the expected or planned mix of uses typically associated with transit oriented development. *(14)*
Beneficiary Charges	Beneficiary charges are a special category of property taxes that are targeted to capture the benefits or costs of infrastructure that serves property development. The categories of revenues such as value capture and impact fees are types of beneficiary charges.
Value Capture	Value capture attempts to capture some of the increase in value due to the improvement that benefits the properties impacted. Revenues are generated based on the increment in property taxes as a result of the improvement.
Impact Fees	Impact fees consist of one-time charges to developers on new development. Revenues from impact fees typically are used to pay for infrastructure improvements resulting from growth generated by new development.
Special Assessment Districts	Assessment districts are special taxing districts where the cost of infrastructure is paid for by properties that are deemed to benefit from the infrastructure. These assessments can be applied to the full value of the subject property, or use a Tax Increment Financing technique (see next item).

Source of Revenue	Description
Tax Increment Financing	Tax Increment Financing (TIF) is a technique in which bonds are issued to finance public infrastructure improvements, to be repaid with dedicated revenues from the increment in property taxes as a result of such improvements.
Community Facility Districts (Community Improvement Districts or Transit Development Districts)	Community facility districts are creative funding mechanisms for infrastructure projects where residential and commercial property owners are charged an annual fee for the benefit of infrastructure in the area. Community facility districts seem suited to regional projects and programs as they are not tied to a specific facility as is the case with other beneficiary charges.
Right-of-Way Leases	Linear rights-of-way owned and maintained by transit agencies providing fixed guideway services (rail) have the ability to generate revenues for rights of access. In addition, there may be growing opportunity to use the rights-of-way for development of cable and fiber-optic networks.
Air Rights	Similar to linear rights-of-way, revenues can be generated by leasing the space over transit rights-of-way for private development based on long-term lease agreements.
Airport Passenger Facility Charges	Local and regional airports (or other public agencies responsible for commercial airport ownership and operations) have the authority to collect fees on a sliding scale for each enplaned passenger. Airport passenger facility charges could be used to support transit access in coordination with other revenue sources.
Financing Mechanisms [20] *(13, 15)*	
Bonds	Bonds for capital projects can be issued by municipalities, counties, states, and special districts serving public purposes (if authorized by statute). General obligation bonds are generally long-term and are repaid with interest from the general revenues of the issuing jurisdiction. Revenue bonds are secured by a specific tax or revenue source.
Grant Anticipation Notes (GAN)	GANs are a type of debt that is incurred based on a pledge of funds from future federal or state grants.

[20] *Note: Some of these financing mechanisms may require authorization by the state legislature or a state agency and may require an initiative by local government including a voter referendum. The scope of this study did not include legal research to verify eligibility in Texas.*

Source of Revenue	Description
Grant Anticipation Revenue Vehicles (GARVEE)	GARVEEs are like GANs but have been largely restricted to financing highway improvements.
Revenue Anticipation Notes (RAN)	Revenue anticipation notes are similar to revenue bonds that rely on specific taxes or stream of revenue for repayment. Generally thought of as shorter term.
Private Activity Bond	Private activity bonds are a special category of borrowing that may be tax-exempt if certain conditions are met. Private activity bonds involve and invite the private sector into projects that serve specific public purposes where project implementation and management skills may provide advantages for the public sector. The use of private activity bonds are subject to strict limitations under federal law. *(15)*
Certificates of Participation	Certificates of participation are tax-free securities that represent the right to purchase a future stream of revenue made up of lease payments for equipment. Essentially the concept is to acquire capital through leasing instead of making a large capital purchase.
Tax Credit Bonds	Tax credit bonds allow bondholders to receive a credit against their federal income tax liability instead of cash interest. There is some industry speculation that this type of financing might be a part of the 2009 authorization of the federal transportation bill.
State Infrastructure Bank (SIB) Loans	SAFETEA-LU authorizes every state to set up a SIB that can manage a revolving loan fund, provide credit or issue bonds capitalized with seed money from federal and state sources.
Transportation Infrastructure Finance and Innovation Act (TIFIA)	TIFIA provides federal credit assistance to major transportation investments in the form of direct loans, loan guarantees, and lines of credit. The program is designed to fill the market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital and credit rather than grants.
Lease-Back Agreements	This financing mechanism was popular between the late 1980s and 2003, when tax laws were changed to discourage such transactions.

Sources: National Cooperative Highway Research Program. Future Financing Options to Meet Highway and Transit Needs. NCHRP Web-only Document # 102. December 2006;Cambridge Systematics, Inc. in unpublished research for the Transportation Cooperative Research Program, Project H-34- Local and Regional Funding Mechanisms for Public Transportation. 2008; and research by TTI, 2008.

4.4 LOCAL FUNDS USED TO FINANCE SELECTED TRANSIT SYSTEMS

The purpose of Section 4.4 is to document the sources of funds to finance selected regional transit systems in major metropolitan areas across the U.S. The transit systems are selected based on the following criteria:

1) regional transit agencies that serve complex multi-city or multi-county metropolitan areas;
2) transit agencies that operate or will soon open regional rail systems or commuter rail corridors; and
3) transit agencies in large metropolitan areas often considered as peers for regional transit authorities in Texas.

Section 4.4 presents profiles of 56 transit agencies in 32 metropolitan areas. The agencies are organized by state and then by metropolitan area. The states are in alphabetical order; each of the 21 states identified here is also included in the description of state funding for transit in Section 3.3 of this report. If there are several metropolitan areas within one state, the metropolitan areas are generally listed by region of the state. In several instances, there are multiple transit agencies within one metropolitan area. Each transit agency either operates rail or the agency is closely associated with the regional rail program. Profiles may not include all transit providers in a region. The metropolitan areas are listed below, in the order of the profiles on the following pages.

Phoenix-Mesa, AZ
San Francisco-Oakland, CA
San Jose, CA
Stockton, CA
Sacramento, CA
Los Angeles, CA
San Diego, CA
Denver, CO
New Haven, CT
Miami, FL
Atlanta, GA
Chicago, IL
Northern Indiana/Chicago, IL
Baltimore, MD
Boston, MA
Minneapolis-St. Paul, MN
St. Louis, MO
New Jersey/New York City
New York City, NY
Buffalo, NY
Charlotte, NC
Cleveland, OH
Portland, OR
Philadelphia, PA
Pittsburg, PA
Dallas-Fort Worth, TX
Austin, TX
Houston, TX
Salt Lake City, UT
Northern Virginia
Washington, D.C.
Seattle-Tacoma, WA

For each agency, the left column includes key statistics about the transit agency service area, population served, modes of transit service provided, and 2006 operating and capital expenses. The right column provides key background information and lists the sources of both local and state funds. Local funds from contracted services, advertising, and interest income are not listed separately as most are common to all transit agencies.

The primary source of key statistics is the NTD 2006. *(12)* Information about state funding sources is from the *Survey of State Funding for Public Transportation 2007*. *(2)* Information about local funding sources is based upon research of the websites for each of the transit agencies and the departments of transportation for some states. The website link is provided with each profile.

Phoenix-Mesa, Arizona

Regional Public Transportation Authority (Valley Metro-RPTA) **www.valleymetro.org** Service Area Square Miles: 653 Population: 2,498,000 Modes of Transit Bus/Demand Response Vanpool Light Rail to open 12/2008 2006 Expenses (in millions) Operating: $52.2 Capital: $335.0 *Source: NTD 2006*	Valley Metro-RPTA is the transit authority responsible for regional transit services in Maricopa County, Arizona. See note: some of the larger cities in the county elect to provide local transit services. All transit agencies operate under the Valley Metro brand. **Local Funding Sources** • Farebox (18% of operating expenses) • Proposition 400 regional sales tax (0.5%) in Maricopa County for highway, roadway and transit, 33% of sales tax revenues are allocated to regional transit **State Funding Sources** • Local Transportation Assistance Funds (LTAF) from Arizona state lottery - less than 1% of operating, 3% of capital ***Note:*** *Cities in the Phoenix region also generate funds for local transit services in each city through a local option sales tax.* • City of Tempe - 0.5% sales tax for transit • City of Glendale - 0.5% sales tax for transit • City of Phoenix - 0.4% sales tax for transit • City of Mesa - 0.5% sales tax for "quality of life" including parks and recreation, police and fire, and transit • City of Peoria - 0.3% sales tax for transportation projects and services • City of Scottsdale - 0.2% sales tax for transportation capital projects

San Francisco-Oakland, California

San Francisco Bay Area, Metropolitan Transportation Commission (MTC) **www.mtc.ca.gov** *The purpose of discussing MTC is to provide an explanation of regional transportation planning and regional rail development in the San Francisco Bay Area.*	In the San Francisco Bay Area, MTC is the Regional Transportation Planning Agency (a state designation) and the region's Metropolitan Planning Organization (a federal designation). As such, the MTC is responsible for regularly updating the Regional Transportation Plan for the development of mass transit, highway, airport, seaport, railroad, bicycle, and pedestrian facilities. The MTC screens requests from local agencies for state and federal grants for transportation projects to determine compatibility with the plan. MTC played a major role in building regional consensus on where and when to expand the Bay Area Rapid Transit (BART) rail system and other major transit systems. A historic agreement forged by MTC with local officials as well as state and federal legislators in the late 1980s set forth a $4.1 billion program to extend a total of six rail lines in the Bay Area, adding 40 miles to the region's rail transit network and linking BART to San Francisco International Airport. In 2001 MTC laid out the next phase of major regional public transit investments in Resolution 3434. This agreement features additional rail investment as well as a significant expansion of bus rapid transit and ferry service. On September 24, 2008, the MTC adopted the 2008 Strategic Plan. The purpose of the strategic plan is to provide a framework for successful program and project delivery by initially addressing: 1) escalating project costs; 2) near-term funding requests; and 3) the development of the financially constrained element of the Transportation 2035 Plan. The plan identifies $222 million to speed project delivery and closes the funding shortfall on two Resolution 3434 projects. The MTC lists 17 transit operators in the region, of which five are selected for discussion below. Each county in the nine-county MTC area has a separate taxing authority to administer local option sales tax measures for transportation. Each respective taxing authority allocates funds to the transit operator(s) in the county according to statutory requirements. Each county also designates a Congestion Management Agency to coordinate transportation planning, funding, and other activities in a congestion management program. A portion of the state gasoline sales tax revenues fund local, regional, and state transportation projects and services to relief traffic congestion. In several counties in the San Francisco Bay Area, the taxing authority is also the Congestion Management Agency.

San Francisco Bay Area Rapid Transit District (BART) **www.bart.gov** Service Area Square Miles: 93 Population: 834,000 Modes of Transit Heavy Rail Demand Response 2006 Expenses (in millions) Operating: $498.8 Capital: $108.8 *Source: NTD 2006*	BART is a regional transit district authorized to plan, finance, construct, and operate a rapid transit system for the San Francisco Bay Area within the counties of Alameda, Contra Costa, and San Francisco. **Local Funding Sources** • Farebox (51% of operating expenses) • Parking revenues at BART stations • Telecommunications revenue from fiber optic carriers • Concessions for shared use of rail stations • Transit sales tax (0.5%) in three counties served by BART (AB 1107) with 75% allocated to BART, remainder to other transit operators in the three counties • Dedicated property tax in three counties served by BART • Local transportation sales tax (0.5%) in Alameda County (Measure B), a portion to BART, for paratransit services • Subsidy from others for operating outside of district • Bridge tolls for projects that are intended to reduce congestion • Contributions from sales tax by county taxing authorities for capital projects to extend rail or add station capacity • Revenue bonds and general obligation bonds **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • TIF (Prop 42) for congestion relief • State Transportation Improvement Program (STIP) funds originally sourced to the state excise tax on motor fuels and the state sales tax on gasoline; eligible uses include transit; funds are typically used for expansion projects
San Francisco Municipal Transportation Agency - San Francisco Municipal Railway (MUNI) **www.sfmta.com** Service Area Square Miles: 49 Population: 799,000 Modes of Transit Bus/Demand Response Trolleybus Cable Car Light Rail	The San Francisco Municipal Transportation Agency is composed of MUNI and the Department of Parking and Traffic for the City and County of San Francisco. **Local Funding Sources** • Farebox (28% of operating expenses) • Parking and traffic fees and fines • General fund from City and County of San Francisco based on discretionary and unrestricted revenues • Transit sales tax (0.5%) in three counties served by BART (AB 1107) with a portion of revenues to MUNI • Bridge tolls for projects that are intended to reduce congestion • San Francisco transportation sales tax (0.5%) - Proposition K • Lease/lease back funds for light-rail vehicles • SF MUNI Railway Improvement Corporation – funds used to finance capital projects costs through the use of this corporation • Transit impact development fees – one-time fee from developers of new or expanded commercial development citywide

2006 Expenses (in millions) Operating: $494.0 Capital: $90.5 *Source: NTD 2006*	**State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • TIF (Prop 42) for congestion relief
Alameda-Contra Costa Transit District (AC Transit) **www.actransit.org** Service Area Square Miles: 384 Population: 1,415,000 Modes of Transit Bus/Demand Response 2006 Expenses (in millions) Operating: $272.6 Capital: $22.6 *Source: NTD 2006*	AC Transit is the transit district serving 13 cities and adjacent unincorporated areas in Alameda and Contra Costa counties in the area known as East Bay. The bus services provided by AC Transit complement BART rail services in the area. **Local Funding Sources** • Farebox (18% of operating expenses) • Local transportation sales tax (0.5%) in Alameda County (Measure B) and in Contra Costa County (Measure C), a portion of which goes to AC Transit • Transit sales tax (0.5%) in three counties served by BART (AB 1107) with a portion of revenues to AC Transit • A portion of the property tax revenues in Alameda and Contra Costa counties allocated to AC Transit • Parcel (property) tax collected in cities and unincorporated areas in Alameda and Contra Costa counties ($24 per parcel, per year [Voters approved increase to $48 per parcel November 4, 2008] • Bridge toll revenues to enhance transbay bus service **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA from sales tax on motor fuels
San Mateo County Transit District (SamTrans) **www.samtrans.com** Service Area Square Miles: 97 Population: 737,000 Modes of Transit Bus/Demand Response 2006 Expenses (in millions) Operating: $117.5 Capital: $86 *Source: NTD 2006*	SamTrans is the transit district in Santa Mateo County and also manages Caltrain commuter rail. The district is a separate entity that is not a component unit of San Mateo County or any other organization. While the district administers various activities on behalf of other agencies, such as the Peninsula Corridor Joint Powers Board and the San Mateo County Transportation Authority (the transportation taxing authority), these agencies have their own corporate identity and governance. **Local Funding Sources** • Farebox (15% of operating expenses) • Transit sales tax (0.5%) in San Mateo County (Measure A) **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels

Peninsula Corridor Joint Powers Board (Caltrain) **www.caltrain.com** Service Area Square Miles: 425 Population: 3,690,000 Modes of Transit Bus Commuter Rail 2006 Expenses (in millions) Operating: $73.8 Capital: $99.4 *Source: NTD 2006*	Caltrain is a 77-mile commuter rail line between San Jose and San Francisco. The original rail service goes back to 1863. The commuter rail service was operated by the private railroad company until 1980 when Caltrans began to subsidize the service. In 1987 the Peninsula Corridor Joint Powers Board (PCJPB) was formed to manage the line. The participants in the joint powers agreement are the counties of Santa Clara, San Mateo, and San Francisco. The PCJPB is comprised of nine voting members (three members for each participating county). The board members are appointed by the City and County of San Francisco (MUNI), SamTrans, and Santa Clara Valley Transportation Authority (discussed below). Amtrak is the contract operator, and SamTrans provides administration and contract oversight. Shuttle bus services are operated from some stations. Capital expenses are allocated among the three members of the joint powers board by project. Operating subsidies are allocated based on the number of morning commute boardings occurring in each member county. The formula is updated annually based on actual counts. **Local Funding Sources** • Farebox (41% of operating expenses) • Parking revenues • The Bay Area Air Quality Management District provides partial funding for the shuttle bus program. The Air District, in conjunction with the Department of Motor Vehicles, collects a $4.00 surcharge on motor vehicle registrations paid within the Air District's jurisdiction (AB 434). The cost of the shuttles not paid by the Air District is funded by the PCJPB and by area employers served by the shuttles. • Member jurisdiction contributions from funds that are typically generated from local or regional sales tax for transportation or the transit district. **State Funding Sources** • State discretionary funds for commuter rail • STIP Rail Funds for urban and commuter rail • Traffic Congestion Relief Fund (TCRF) • Proposition 116 Rail Bonds

San Jose, California

Santa Clara Valley Transportation Authority (VTA) **www.vta.org** Service Area Square Miles: 326 Population: 1,760,000 Modes of Transit Bus/Demand Response Light Rail 2006 Expenses (in millions) Operating: $344.3 Capital: $132.5 *Source: NTD 2006*	Santa Clara Valley Transportation Authority (VTA) is an independent special district responsible for bus, light rail, and ADA paratransit operations; congestion management; specific highway improvement projects; and countywide transportation planning. As such, VTA is involved with transit, highways and roadways, bikeways, and pedestrian facilities. Santa Clara County is part of the San Francisco Bay Area, and accordingly the MTC is the Regional Transportation Planning Agency and the Metropolitan Planning Organization for the county. **Local Funding Sources** • Farebox (11% of operating expenses) • Transit sales tax (0.5%) originally approved 1976 • Local transportation sales tax (0.5%) for transportation approved in 2000 and implemented in 2006, 18.5% of the revenues from the sales tax are allocated to transit (Measure A) • AB 434 surcharge on motor vehicles within the Bay Area Air Quality Management District to provide partial funding for the peninsula shuttle bus program. • [On November 4, 2008, voters narrowly passed an additional 0.125% sales tax (1/8 cent) to fund the operating and maintenance costs of the BART Extension to Santa Clara County. State law requires 2/3 approval - the vote for approval was 66.78%] **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • TIF (Prop 42) for congestion relief

Stockton, California

San Joaquin Regional Rail Commission **Altamont Commuter Express** **(ACE)** **www.acerail.com** Service Area Square Miles: 28 (sic) Population: 4,095,000 Modes of Transit Commuter Rail 2006 Expenses (in millions) Operating: $12.5 Capital: $7.2 *Source: NTD 2006*	ACE is an 86-mile commuter rail line that runs between Stockton and San Jose, California. The San Joaquin Regional Rail Commission (SJRRC) owns, operates, and is the policy-making body for ACE. The SJRRC is governed by a board of directors appointed by the San Joaquin Council of Governments from nominations by the local agencies. Ex-officio members represent Caltrans, the San Joaquin Regional Transit District (Stockton), and the San Joaquin Council of Governments. ACE service is contracted to a private company for operations and maintenance. The track is owned by Union Pacific. The corridor runs through San Joaquin County, Alameda County, and Santa Clara County. The service is operated under a cooperative services agreement between the SJRRC, Alameda County Congestion Management Agency (CMA), and VTA. The agreement identifies SJRRC as the owner and manager of the ACE service and identifies how the operations and capital projects will be funded by the three parties. Funding of peak-period operating costs is based on fiscal 2003 contributions, escalated annually by the consumer price index increases. Midday operating costs are funded by SJRRC, Caltrans, and the San Joaquin/Amtrak Intercity Rail Service. **Local Funding Sources** • Farebox (27% of operating expenses) • Contributions from local transportation sales tax (0.5%) in San Joaquin County (Measure K). • Contributions from local transportation sales tax (0.5%) in Alameda County (Measure B). • Contributions from local transportation sales tax (0.5%) in Santa Clara County (Measure A). **State Funding Sources** • STA funds from state sales tax on motor fuels • The initial purchase of rolling stock and track improvements were partially funded from Proposition 116 Rail Bonds. • STIP Rail Funds to urban and commuter rail

Sacramento, California

Sacramento Regional Transit District (Sacramento RT) **www.sacrt.com** Service Area Square Miles: 272 Population: 1,088,000 Modes of Transit Bus/Demand Response Light Rail 2006 Expenses (in millions) Operating: $147.3 Capital: $38.4 *Source: NTD 2006*	The Sacramento Transportation Authority (STA) was created in 1988 when Sacramento County's electorate approved the local sales tax for transportation (Measure A). The STA is primarily responsible for administering the Measure A program and also serves as the Congestion Management Agency. The Sacramento Area Council of Governments (SACOG) is the Regional Transportation Planning Agency and the Metropolitan Planning Organization for the county. Sacramento RT is the transit operator. **Local Funding Sources** • Farebox (18% of operating expenses) • Local transportation sales tax (0.5%) for transportation (Measure A), 38.25% of the revenues from the 0.5% sales tax are allocated to transit • Local county developer fees on new development within unincorporated Sacramento County **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • STIP funds from a mix of state, federal, and local taxes and fees for projects that add capacity to the transportation system • State general obligation bond programs to fund Proposition 108 Rail and Clean Air Act and Proposition 116 Clean Air and Transportation Improvement Act
Capitol Corridor Joint Powers Authority **Capitol Corridor Intercity Rail Service** **www.capitolcorridor.org** *As intercity rail service – the CCJPA does not report to the NTD.*	The Capitol Corridor is an intercity rail service (total 170 miles) from Auburn to Sacramento to Oakland with continuing service to San Jose. In 1991, Caltrans and Amtrak initiated the Capitol Corridor intercity train service with six daily trains between San Jose and Sacramento. In 1996, legislation was enacted to establish the Capitol Corridor Joint Powers Authority (CCJPA), a partnership among six local transportation agencies to share in the administration and management of the Capitol Corridor intercity train service. The CCJPA is between Sacramento RT, Placer County Transportation Planning Agency, Solano County, Yolo County, BART and VTA. In 1998, an Interagency Transfer Agreement (ITA) transferred the operation of the Capitol Corridor service to the CCJPA. The Capitol Corridor route operates on tracks primarily owned and dispatched by the Union Pacific Railroad and Caltrain. The CCJPA now manages the Capitol Corridor service through an operating agreement with Amtrak. BART provides management oversight.

	The interregional partnership among the CCJPA six member agencies is the first and only one of its kind to manage an intercity train service. The CCJPA establishes operating and management policy on capital and operating funds, fares, service levels, equipment maintenance, schedules, marketing, and business planning for the Capitol Corridor as part of the State's intercity rail program. **Local Funding Sources** • Farebox • Local transportation funds directly or via collaborative track and station projects sponsored by local communities **State Funding Sources** • Business, Transportation and Housing Agency (BT&H) funds to cover operating costs and marketing expenses. • PTA funds from state sales tax on motor fuels • STIP funds from a mix of state, federal, and local taxes and fees for projects that add capacity to the transportation system • Traffic Congestion Relief Program (TCRP)

Los Angeles-Long Beach-Santa Ana, California

Los Angeles County Metropolitan Transportation Authority - LACMTA (Metro) **www.metro.net** Service Area Square Miles: 1,224 Population: 8,493,000 Modes of Transit Bus/Demand Response Heavy Rail Light Rail 2006 Expenses (in millions) Operating: $1,221.1 Capital: $390.7 *Source: NTD 2006*	In addition to serving as the largest transit operator in Los Angeles County, LACMTA is the transportation taxing authority for the county, responsible for funding allocations to LACMTA and the cities in the county that provide their own local bus and paratransit services. LACMTA is also the Congestion Management Agency. Southern California Association Council of Governments (SCAG) is the Regional Transportation Planning Agency and the Metropolitan Planning Organization for five counties including Los Angeles County. **Local Funding Sources** • Farebox (23% of operating expenses) • Local transportation sales tax (0.5%) approved 1980 to improve and expand public transit in LA County. Funds flow to Metro which allocates to itself and others agencies in the county according to formula. Funds cannot be used for underground subways. • Local transportation sales tax (0.5%) approved 1990 for public transit purposes. Funds flow to Metro which allocates to itself and others agencies in the county according to formula and a call for projects. Funds cannot be used for underground subways. • [Voters approved an additional transportation sales tax (0.5%) on the November 4, 2008 ballot. The new measure is for more transit projects and may be used to begin the subway to the sea.] **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • Traffic Congestion Relief Program (TCRP) • STIP funds from a mix of state, federal, and local taxes and fees for projects that add capacity to the transportation system • State fuel excise tax local subvention – gas taxes that are directly disbursed to the cities and the county. Cities must conform to the Congestion Management Plan certified by Metro.
Southern California Regional Rail Authority (Metrolink) **www.metrolinktrains.com** Service Area Square Miles: 2,291 Population: 8,341,000 Modes of Transit Commuter Rail	Metrolink is a commuter rail system in five counties in Southern California. The Southern California Regional Rail Authority (SCRAA) is a joint powers authority between the agencies responsible for transit services in each of the five counties: Los Angeles, San Bernardino, Riverside, Orange, and Ventura. The purpose of the SCRRA is to plan, design, construct, and administer the operation of regional passenger rail in the counties that are members of the SCRRA. The SCRRA Board consists of 11 voting members: LACMTA (4 votes); San Bernardino Associated Governments (2 votes); Riverside County Transportation Commission (2 votes); Orange County Transportation Authority (2 votes); and Ventura County Transportation Commission (1 vote).

2006 Expenses (in millions) Operating: $122 Capital: $45.3 *Source: NTD 2006*	Three ex-officio members represent the Southern California Association of Governments, SANDAG, and a member appointed by the governor, usually Caltrans. Metrolink runs seven lines through Southern California. (The total system is about 388 miles, some lines share track). • 91 Line (61.6 mile route between Union Station and Riverside-Downtown) • Antelope Valley Line (76.6 mile route between Union Station and Lancaster) • Inland Empire-Orange County (IEOC) Line (100.1 mile route between San Bernardino and Oceanside) • Orange County Line (87.2 mile route between Union Station and Oceanside) • Riverside Line (59.1 mile route between Union Station and Riverside-Downtown) • San Bernardino Line (56.5 mile route between Union Station and San Bernardino/Riverside-Downtown) • Ventura County Line (70.9 mile route between Union Station and Montalvo, Ventura) Member agencies contribute capital improvements within the Metrolink systems and provide operating subsidies in accordance with a detailed cost allocation formula. Each member owns rights-of-way over which Metrolink commuter rail services operate. Metrolink also operates over rights-of-way owned by the private freight railroads. Amtrak long-distance trains and Pacific Surfliner intercity trains also serve some shared stations. **Local Funding Sources** • Farebox (45% of operating expenses) • Funds from dispatching, maintenance of way, and gas tax revenues • Member jurisdiction contributions from funds that are typically generated from local or regional sales tax for transportation or the transit district. **State Funding Sources** • State discretionary funds for commuter rail • STIP Rail Funds for urban and commuter rail • Traffic Congestion Relief Program (TCRP) • Proposition 116 Rail Bonds

San Diego, California

San Diego Association of Governments (SANDAG) **www.sandag.org** Service Area Square Miles: 4,261 Population: 2,814,000 SANDAG operates the regional vanpool program. Total operating expenses $9 million, of which 76% is recovered from equivalent passenger fares. *Source: NTD 2006*	SANDAG is also the Regional Transportation Planning Agency, the Metropolitan Planning Organization and the Congestion Management Agency for San Diego County. SANDAG is the taxing authority for San Diego County, responsible for the TransNet sales tax (0.5%) for transportation, including allocations to transit providers MTS and NCTD (see below). **Local Funding Sources** • Transnet local transportation sales tax (0.5%) in San Diego County – approximately 33% of sales tax revenues for transit • Local funds which may include city and county general funds and developer funds administered by local agencies **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • STIP funds from a mix of state, federal, and local taxes and fees for projects that add capacity to the transportation system • Traffic Congestion Relief Program (TCRP) • State general obligation bond programs to fund Proposition 108 • State fuel excise tax local subvention
San Diego Metropolitan Transit System (MTS) **www.sdmts.com** Service Area Square Miles: 406 Population: 2,220,000 Modes of Transit Bus/Demand Response Light Rail 2006 Expenses (in millions) Operating: $183.8 Capital: $480.8 *Source: NTD 2006*	MTS is the transit operator for the urbanized area of San Diego County and portions of rural East County. MTS owns the assets of: San Diego Trolley, Inc. (SDTI) - the light-rail transit (LRT) operator; San Diego Transit Corporation (SDTC) - the region's major bus operator; the San Diego & Arizona Eastern (SD&AE) Railway Company, which owns 108 miles of track and right-of-way; and San Diego Vintage Trolley, Inc., a non profit corporation established to restore historic trolley vehicles. **Local Funding Sources** • Farebox (37% of operating expenses) • TransNet sales tax • Tolls from I-15 managed lanes for express transit in the corridor • City of San Diego funds for ADA paratransit • Air Pollution Control District and Caltrans funds for transit services in Sorrento Valley **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels • STIP funds from a mix of state, federal, and local taxes and fees for projects that add capacity to the transportation system

North County Transit District (NCTD) **www.gonctd.com** Service Area Square Miles: 403 Population: 842,000 Modes of Transit Bus/Demand Response Light Rail Commuter Rail 2006 Expenses (in millions) Operating: $63.6 Capital: $155.4 *Source: NTD 2006*	NCTD provides public transit service within the North San Diego County region. **Local Funding Sources** • Farebox (25% of operating expenses) • TransNet sales tax **State Funding Sources** • TDA funds from statewide retail sales tax (0.25%) returned to county of origin • STA funds from state sales tax on motor fuels

Denver, Colorado

Regional Transit District (RTD) **www.rtd-Denver.com** Service Area Square Miles: 2,326 Population: 2,619,000 Modes of Transit Bus/Demand Response Vanpool Light Rail 2006 Expenses (in millions) Operating: $350.0 Capital: $207.9 *Source: NTD 2006*	Denver RTD is a regional transit district that includes all or part of eight counties in central Colorado, including the City and County of Denver. **Local Funding Sources** • Farebox (19% of operating expenses) • Regional sales tax (1.0%) dedicated to transit • Income from retail space, parking rentals, and air-rights lease at Civic Center Station • Operating revenues from Denver Union Station • Cash contributions from local governments (cities and counties) toward fixed guideway capital expense (Southeast Corridor) • Third party contributions (local governments and private parties) to provide improvements beyond the original scope toward Southeast Corridor **State Funding Sources** • Less than 1% of operating, 0% of capital; state funds are from general transportation funds originally sourced to the state sales tax

New Haven, Connecticut

Connecticut Department of Transportation **Shore Line East** **www.shorelineeast.com** Service Area Square Miles: 171 Population: 375,000 Modes of Transit Commuter Rail 2006 Expenses (in millions) Operating: $9.9 Capital: $0 *Source: NTD 2006*	There are two commuter rail lines serving Connecticut. The New Haven Line, operated by NYMTA Metro-North Railroad (see information on NYMTA Metro-North Railroad below). The line consists of the New Haven Main Line and the New Canaan, Danbury, and Waterbury Branch Lines. The Connecticut Department of Transportation's Shore Line East commuter rail service provides transportation between New London and New Haven Monday through Friday. **Local Funding Sources** • Farebox (14% of operating expenses) **State Funding Sources** • State funds approved by the Legislature and Governor from the Special Transportation Fund (STF). The sources of revenue for the STF are: state excise tax on motor fuels; motor vehicle registration fees; sales tax on motor vehicles; oil company tax; other license, permit and fee income; FTA transit operating assistance provided to the state; interest income, and transfers from the general fund.

Miami, Florida

Miami-Dade Transit (MDT) **www.miamidade.gov/transit/** Service Area Square Miles: 306 Population: 2,380,000 Modes of Transit Bus/Demand Response Heavy Rail Automated Guideway 2006 Expenses (in millions) Operating: $447.2 Capital: $141.1 *Source: NTD 2006*	Miami-Dade Transit is the transit division for the Miami-Dade city-county government in South Florida. **Local Funding Sources** • Farebox (21% of operating expenses) • Sales tax (0.5%) in Miami-Dade County for transportation, a portion of which funds transit projects • General fund from Miami-Dade County • Capital Improvement local option sales tax • Charter County Transit System Surtax – local option sales tax (0.5%) for costs directly associated with fixed guideway rapid transit. **State Funding Sources** • State funds are originally sourced from gasoline tax; vehicle registration, license, and title fees; rental car surcharges; and documentary fees that support the State New Starts program • State grants are about 8% of MDT operating revenues and about 16% of MDT capital revenues
South Florida Regional Transportation Authority (Tri-Rail) **Tri-rail.com** Service Area Square Miles: 5,128 Population: 5,449,000 Modes of Transit Bus Commuter Rail 2006 Expenses (in millions) Operating: $36,7 Capital: $91.7 *Source: NTD 2006*	SFRTA was created by the Florida Legislature in 2003, evolving from the Tri-County Regional Transportation Authority (Tri-Rail). SFRTA is charged with developing and implementing regional transportation solutions in south Florida. The SFRTA is governed by a board with members appointed by each member county (Miami-Dade, Broward, and Palm). The governor appoints two board members and the Florida Department of Transportation appoints one board member. **Local Funding Sources** • Farebox (16% of operating expenses) • Each of three counties Dade, Broward and Palm Beach Counties contribute funds for operations and capital • Each of the three counties directs revenues for capital expenses that are generated locally from the state excise tax on fuels **State Funding Sources** • Florida State Department of Transportation matches the local contributions to operations with discretionary funding allocations. The sources for state funds for transit in Florida are the gasoline tax; vehicle registration, license, and title fees; and rental car surcharges. • State contributions to capital are also from discretionary funds.

Atlanta, Georgia

Metropolitan Atlanta Rapid Transit Authority (MARTA) **www.itsmarta.com** Service Area Square Miles: 498 Population: 1,355,000 Modes of Transit Bus/Demand Response Heavy Rail 2006 Expenses (in millions) Operating: $382.0 Capital: $213.8 *Source: NTD 2006*	MARTA is the regional transit authority for Fulton and DeKalb counties in Georgia, which includes the city of Atlanta. **Local Funding Sources** • Farebox (25% of operating expenses) • Sales tax (1.0%) in Fulton and DeKalb Counties dedicated to transit **State Funding Sources** • Less than 1% of capital; state funds may not be used for operating; funds are appropriated from state general sales tax

Chicago, Illinois

Northern Illinois Regional Transit Authority (RTA)
www.rtachicago.com

RTA is a local government and municipal corporation of the State of Illinois that provides funding, planning, and fiscal oversight for regional bus and rail operations for six counties in northeastern Illinois: McHenry, Lake, Kane, Cook, DuPage, and Will counties. Three entities, the Chicago Transit Authority (CTA), PACE and Metra, operate the rail and bus systems overseen by the RTA, and are governed by their own boards of directors.

Local Funding Sources

- The basic sales tax rates are 1% in Cook County and 0.25% in the counties of DuPage, Kane, Lake, McHenry and Will. The statutorily defined distribution of funds is shown in the table below.

RTA Sales Tax Distribution Formula

Service Board	Collected in Chicago	Collected in Cook County Outside of Chicago	Collected in DuPage, Kane, Lake, McHenry and Will Counties
CTA	100%	30%	----
Metra	----	55%	70%
Pace	----	15%	30%

- RTA retains 15% of base sales tax for administration and for discretionary funding.
- [As of January 2008, the RTA increased the sales tax rate an additional 0.25% in each of the six counties. The sales tax is dedicated to transit in Cook County and may be used for local transportation including transit in the remaining counties]

State Funding Sources

- Public Transportation Fund (PTF) – The RTA receives general revenue funds from the State of Illinois equal to 25% of the state sales tax and real estate transfer tax revenues collected in northeast Illinois.

Chicago Transit Authority (CTA)
www.transitchicago.com

Service Area
Square Miles: 356
Population: 3,709,000

CTA is the urban rail and bus transit provider for the City of Chicago in Cook County.

Local Funding Sources

- Farebox (43% of operating expenses)
- RTA sales tax
- Contributions from the City of Chicago and Cook County
- Parking fees, real estate rental
- [As of January 2008, the City of Chicago can impose a real estate transfer tax of up to 0.3%]

Modes of Transit Bus/Demand Response Heavy Rail 2006 Expenses (in millions) Operating: $1,076.4 Capital: $606.9 *Source: NTD 2006*	**State Funding Sources** • PTF
Pace Suburban Bus Division (PACE) **www.pacebus.com** Service Area Square Miles: 3,664 Population: 8,092,000 Modes of Transit Bus/Demand Response Vanpool 2006 Expenses (in millions) Operating: $199.2 Capital: $35.8 *Source: NTD 2006*	PACE is the suburban bus transit provider for six counties in northeastern Illinois, including Cook County outside the City of Chicago. **Local Funding Sources** • Farebox (25% of operating expenses) • RTA sales tax **State Funding Sources** • PTF
Northeast Illinois Regional Commuter Railroad Corporation (Metra) **www.metrarail.com** Service Area Square Miles: 3,721 Population: 7,261,000 Modes of Transit Commuter Rail 2006 Expenses (in millions) Operating: $624.9 Capital: $248.2 *Source: NTD 2006*	Metra is the commuter rail transit provider for Chicago and the six counties in northeastern Illinois. **Local Funding Sources** • Farebox (41% of operating expenses) • RTA sales tax • Bonds **State Funding Sources** • PTF

Northern Indiana (South Bend)

Northern Indiana Commuter Transportation District (NICTD) **South Shore Line Passenger Service** **www.nictd.com** Service Area Square Miles: 1,970 Population: 959,000 Modes of Transit Commuter Rail 2006 Expenses (in millions) Operating: $34.6 Capital: $30 *Source: NTD 2006*	The South Shore Line is an electrically powered interurban commuter rail line operated by NICTD between Millennium Station in downtown Chicago and the South Bend Regional Airport in South Bend, Indiana, The NICTD is one of the few surviving interurban streetcar lines in the U.S., with only the SEPTA Norristown High Speed Line and SEPTA Suburban Trolley Lines in the Philadelphia, area in the same category. The NICTD is governed by an eleven member Board of Trustees representing the four Indiana counties served by the South Shore Line as well as three representatives appointed by the Governor. **Local Funding Sources** • Farebox (52% of operating expenses) • Funding sponsors include NICTD member counties and RTA, Chicago (see discussion of RTA above) **State Funding Sources** • State funds in Indiana from 0.14% of the state general sales and use tax

Baltimore, Maryland

Maryland Transit Administration (MTA) **www.mtamaryland.com** Service Area Square Miles: 1,795 Population: 2,078,000 Modes of Transit Bus/Demand Response Light Rail Heavy Rail Commuter Rail 2006 Expenses (in millions) Operating: $465.4 Capital: $106.7 *Source: NTD 2006*	MTA is the state transit agency. **Local Funding Sources** • Farebox (27% of operating expenses)* • Other local, less than 1% of operating, 0% of capital **State Funding Sources** • Funds for MTA are provided from the Transportation Trust Fund which is originally sourced from the state gas tax, vehicle sales tax, vehicle registration and license fees, bond proceeds, and the state's corporate income tax. * MTA is required by statute to recover 40% of transit operating expense for bus and urban rail through fares, with a goal of 50% fare recovery; required by statute to recover 50% of transit operating expenses for MARC commuter trains. The formula for calculating these performance indicators may differ from the simple calculation total agency expenses divided by fare revenue used to estimate farebox recovery shown here.

Boston, Massachusetts

Massachusetts Bay Transportation Authority (MBTA) **www.mbta.com** Service Area Square Miles: 3,244 Population: 4,510,000 Modes of Transit Bus/Demand Response Trolleybus Light Rail Heavy Rail Commuter Rail Ferryboat 2006 Expenses (in millions) Operating: $1,171.2 Capital: $503.8 *Source: NTD 2006*	MBTA is the state transit agency. **Local Funding Sources** • Farebox (29% of operating expenses) • Dedicated assessments on 175 cities and towns in the MBTA service area • Utility reimbursements for sale of electricity to vendors that lease space at MBTA property • Income from real estate transit operations (parking, tenant) **State Funding Sources** • Dedicated sales tax equal to 20% of the revenues generated from a statewide sales tax (5%) • Local government assessments • Other state funds provided from a variety of sources including the general fund, the highway fund, revenue bonds, and the State Infrastructure Fund

Minneapolis-St. Paul, Minnesota

Metropolitan Council **www.metrocouncil.org** Service Area Square Miles: 2,878 Population: 2,396,000 *The Council is responsible for contracted regular routes and community dial-a-ride not sponsored by Metro Transit or Metro Mobility. The Council also sponsors the regional vanpool program.* Modes of Transit Bus/Demand Response Vanpool 2006 Expenses (in millions) Operating: $48.9 Fares 21% of expenses Capital: $28.8 *Source: NTD 2006*	Metropolitan Council is the regional planning agency serving the seven-county Twin Cities metropolitan area. The agency is also responsible for delivering essential services to the region including wastewater treatment, low-income housing, and transportation. Transportation includes Metro Transit serving Minneapolis-St. Paul (see below); Metro Mobility to provide ADA paratransit; and commuter bus routes operated by private contractors. The Metropolitan Council also allocates funding for 12 Suburban Transit Providers ("opt-out" cities) that are within the seven-county taxing district but provide their own local bus and paratransit services. **Local Funding Sources** • Bond funds for Regional Transit Capital (RTC) • Property tax to pay debt service on the RTC bonds **State Funding Sources** • State general fund • Regional motor vehicle sales tax (6.5%) revenues collected by the state; distribution to phase-in by 2012 as 60% highways, 36% transit in the seven-county metropolitan area; and 4% to greater Minnesota (GM) transit outside metropolitan area. In 2006, 21.5% of the annual motor vehicle sales tax collections were distributed for transit in the Twin Cities metropolitan area and 1.43% for GM transit operations.
Metro Transit **www.metrotransit.org** Service Area Square Miles: 565 Population: 1,707,000 Modes of Transit Bus Light Rail 2006 Expenses (in millions) Operating: $227.9 Capital: $63.3 *Source: NTD 2006*	Metro Transit is the transit agency responsible for bus and rail service in Minneapolis and St. Paul and is a subdivision of Metropolitan Council. **Local Funding Sources** • Farebox (32% of operating expenses) • Bond funds for Regional Transit Capital (RTC) • Property tax to pay debt service on the RTC bonds **State Funding Sources** • State general fund • Regional motor vehicle sales tax

Metro Mobility/ Metropolitan Council **www.metrocouncil.org** Service Area Square Miles: 1,057 Population: 2,316,000 Modes of Transit Paratransit 2006 Expenses (in millions) Operating: $32.2 Capital: $1.3 *Source: NTD 2006*	Metro Mobility is the department of Metropolitan Council responsible for ADA paratransit services. **Local Funding Sources** • Fare revenues (12% of operating expenses) **State Funding Sources** • State general fund • Regional motor vehicle sales tax
Counties Transit Improvement Board	**Local Funding Sources** • [New] Regional sales tax (0.25%) and $20 motor vehicle excise tax (in lieu sales tax on vehicles) to be dedicated to transitway development and operations. Implementation of the tax is subject to joint powers agreement between counties that elect to form the Counties Transit Improvement Board (CTIB) which will be responsible for allocating the sales tax revenues. One project proposed under the new funding is the Northstar Commuter Rail project.

St. Louis, Missouri

Bi-State Development Agency (Metro) **www.metrostlouis.org** Service Area Square Miles: 574 Population: 1,007,000 Modes of Transit Bus/Paratransit Light Rail 2006 Expenses (in millions) Operating: $177.9 Capital: $195.8 *Source: NTD 2006*	The Bi-State Development Agency was created in 1949 through a compact between Missouri and Illinois. The agency owns the St. Louis metropolitan region's transit system (Metro) and also oversees the operations of the St. Louis Downtown Airport and surrounding industrial park, and the Gateway Arch related venues. The Metro service area includes the City and County of St. Louis in Missouri and St. Clair County in Illinois. **Local Funding Sources** • Farebox (22% of operating expenses) • St. Louis City and St. Louis County sales tax including 0.5% for transportation and 0.25% for light-rail development. St. Louis City forwards all taxes collected except deductions to Metro. St. Louis County appropriates a portion of the 0.5% tax and all of the 0.25% tax to Metro. The 0.5% tax is subject to deductions for tax incremental financing (TIF). • St. Clair County assistance based on a service agreement • Revenue from participants in the Transit Management Association (a network of social service agencies, funding agencies, and transportation service providers that coordinate services and share costs to achieve efficiencies in operations). • MetroLink (rail) concessions and property right-of-way for fiber optics **State Funding Sources** • Less than 1% of operating, 0% of capital.; state funds are from general revenue funds

New Jersey/New York City, New York

New Jersey Transit **www.njtransit.com** Service Area Square Miles: 3,353 Population: 17,800,000 Modes of Transit Bus/Paratransit Light Rail Commuter Rail Vanpool 2006 Expenses (in millions) Operating: $1,605.1 Capital: $662.6 *Source: NTD 2006*	NJ Transit is the state transit agency. **Local Funding Sources** • Farebox (40% of operating expenses) • Other local - less than 1% of operating, 0% of capital. **State Funding Sources** Transit funding comes from the State Transportation Trust Fund (TTF) and state general fund appropriation. In 2006, the TTF was supported from the following revenue sources: • Bond proceeds (56.3%) • Motor fuel tax (21.3%) • Vehicle sales tax (10.5%) • Petroleum gross receipts tax (10.5%) • Interest income (1.3%) New Jersey funds transit programs for seniors and persons with disabilities from a separate casino revenue fund.
Port Authority Trans-Hudson Corporation (PATH) **www.panynj.gov** Service Area Square Miles: 196 Population: 2,820,000 Modes of Transit Heavy Rail Ferry 2006 Expenses (in millions) Operating: $284.3 Capital: $294.3 *Source: NTD 2006*	The Port of New York Authority was established in 1921 to administer the common harbor interests of New York and New Jersey. The organization was created under a clause of the U.S. Constitution permitting compacts between states (*See also discussion below about Washington Metropolitan Area Transit Authority*). An area of jurisdiction called the "Port District," is a bi-state region of about 1,500 square miles centered on the Statue of Liberty. The organization's name was changed to The Port Authority of New York and New Jersey in 1972. The Port Authority is self-sustaining without tax support. In the 1950s and 1960s, the Port Authority also acquired the Hudson and Manhattan Railroad and began operating it as the PATH rail transit system. The system has 13 stations with seven located in New Jersey and six in New York. PATH operates four services: Newark to World Trade Center, Journal Square to 33rd Street, Hoboken to World Trade Center, and Hoboken to 33rd Street. **Local Funding Sources** • Farebox (34% of operating expenses) • Funds provided by the revenues of the Port Authority **State Funding Sources** • None

New York City, New York

New York Metropolitan Transportation Authority (NYMTA) **www.mta.info**	NYMTA is responsible the subways, buses, and railroads that provide 2.6 billion trips each year to New Yorkers. NYMTA also operates bridges and tunnels that carry more than 300 million vehicles a year in and out of New York City. This vast transportation network — North America's largest — serves a population of 14.6 million people in the 5,000-square-mile area fanning out from New York City through Long Island, southeastern New York State, and Connecticut. NYMTA is a public-benefit corporation chartered by the New York State Legislature in 1965 and governed by a 17-member Board. Members are nominated by the Governor, with four recommended by New York City's mayor and one each by the county executives of Nassau, Suffolk, Westchester, Dutchess, Orange, Rockland, and Putnam counties. The board also has six rotating non-voting seats, three held by citizens' representatives and three held by representatives of organized labor. All Board members are confirmed by the New York State Senate. The Bridges and Tunnels (B&T) division oversees seven bridges and two tunnels in New York City; toll revenues subsidize mass transit. The NYMTA Capital Construction Company was formed in 2003 to serve as the construction management company for NYMTA. The five NYMTA mass transit operating divisions are: • New York City Transit (includes Staten Island Railway) • NYMTA Bus • Long Island Bus • Long Island Rail Road (LIRR) • Metro-North Railroad Sources of state and local funding for NYMTA and operating divisions are summarized in the discussion that follows. **State Dedicated Funding** • Metropolitan Mass Transportation Operating Assistance (MMTOA) are special State taxes imposed within the NYMTA transportation district (Downstate) that supplement the general operating subsidies of transportation systems within the district. MMTOA is comprised of the following: petroleum business tax (PBT) which is a small portion of the PBT on businesses operating within New York State; sales tax imposed on the sales and uses of certain tangible personal property and services; corporate franchise taxes imposed on certain transportation and transmission companies; and temporary corporate surcharges imposed on certain businesses attributable to the conduct of business within the transportation district.

	• Statewide Dedicated Funds Pool is the repository for the following dedicated taxes and fees: PBT imposed on petroleum businesses operating in New York State; a motor fuels excise tax levied on gasoline and diesel motor fuels; and motor vehicle fees that are derived mainly from vehicle registration and driver license fees. Thirty-four percent of the Dedicated Funds Pool is deposited in the Mass Transportation Trust Fund (MTTF) for NYMTA's benefit. NYMTA utilizes MTTF receipts to pay debt service on NYMTA's Dedicated Tax Fund Bonds (DTF Bonds).
	• Mortgage Recording Taxes (MRT) consists of two separate taxes.
	  • MRT-1 is imposed on the borrower for recorded mortgages of real property and collected by New York City and the seven counties in the NYMTA's service area at 0.3% of the debt secured by certain real estate mortgages. Receipts must be applied first to pay NYMTA Headquarters operating expense and, second, to make deposits into the New York City Transit account (55% of remaining funds) and the Commuter Railroad account (45% of remaining funds).
	  • MRT-2 is imposed on the institutional lender. The tax consists of 0.25% of certain recorded mortgages secured by real estate structures containing one to six dwelling units in the NYMTA service area. MRT-2 receipts are to be applied, first, to make deposits into the payment sub-accounts of Dutchess, Orange and Rockland counties, and, second, for the purpose of paying operating and capital costs incurred for the benefit of NYMTA.
	Local Dedicated Funding
	• Urban Taxes consists of two separate taxes applied to certain commercial real property transactions and commercial mortgage recordings within New York City. First, a mortgage recording tax is imposed on mortgages exceeding $500,000 on New York City commercial properties. Second, a Real Property Transfer Tax is imposed on the transfer of New York City commercial real estate properties valued over $500,000. Tax receipts are available only for transit purposes in New York City, with 90% going to New York City Transit general operations and 6% used for partial reimbursements of NEW YORK CITY TRANSIT paratransit costs. The remaining 4% is earmarked as subsidy for New York City private buses (reimbursement for NYMTA Bus expense).
	State Subsidies (not dedicated)
	• New York State 18-b Operating Assistance is direct State aid to the NYMTA appropriated by the Legislature on an annual basis.
	Local Subsidies (not dedicated)
	• Each county in the state is required to provide a match for New York State 18-b Operating Assistance
	• Nassau County subsidies meet payment obligations to cover the NYMTA Long Island Bus operating deficit.

	• Connecticut Department of Transportation (CDOT) subsidy payments are made to the NYMTA Metro-North Railroad as reimbursement for expenses associated with commuter operations in the state of Connecticut. • Station Maintenance subsidy is paid by the City and each of the seven counties in the NYMTA region for the operation, maintenance, and use of commuter system passenger stations. State Maintenance based amounts are subject to adjustment according tot the CPI. The following presentation of funding for each of the NYMTA operating divisions is organized by Dedicated Taxes and State and Local Subsidies to correspond to traditional NYMTA financial reporting.
NYMTA New York City Transit **www.mta.info/nyct/** Service Area Square Miles: 321 Population: 8,008,000 Modes of Transit Bus/Paratransit Heavy Rail 2006 Expenses (in millions) Operating: $4,927 Capital: $2,163 *Source: NTD 2006*	New York City Transit includes the subway in four boroughs of New York City, buses and paratransit in five boroughs. New York City Transit now includes the NYMTA Staten Island Railway (see below). **Local Funding Sources** • Farebox (55% of operating expenses) • Urban tax (mortgage recording and real estate transfer tax) • Local operating assistance for 18-b • Bridges and Tunnels operating surplus transfer **State Funding Sources** • MMTOA • MTTF (PBT receipts) • MRT • State operating assistance for 18-b
NYMTA Staten Island Railway **www.mta.info/nyct/sir/** Service Area Square Miles: 59 Population: 465,000 Modes of Transit Heavy Rail 2006 Expenses (in millions) Operating: $6.9 Capital: $2.9 *Source: NTD 2006*	NYMTA Staten Island Railway service runs between the St. George and Tottenville stations on Staten Island. At the St. George station, customers can make connections with Staten Island Ferry service. **Local Funding Sources** • Farebox (15% of operating expenses) • Local operating assistance for 18-b **State Funding Sources** • MMTOA • MRT • State operating assistance for 18-b

NYMTA Bus Company **www.mta.info/busco/** Service Area Square Miles: 321 Population: 8,008,000 Modes of Transit Bus 2006 Expenses (in millions) Operating: $339.2 Capital: none reported *Source: NTD 2006*	The NYMTA Bus Company was created in September 2004 to assume the operations of seven bus companies that operated under franchises granted by the New York City Department of Transportation. The takeover of the lines began in 2005 and was completed early in 2006. NYMTA Bus operates 46 local routes in the Bronx, Brooklyn, and Queens, and 35 express bus routes between Manhattan and the Bronx, Brooklyn, or Queens. **Local Funding Sources** • Farebox • City subsidy to NYMTA Bus Company –the NYMTA Bus operating expenses 100% reimbursable by the City of New York
NYMTA Long Island Bus **www.mta.info/libus/** Service Area Square Miles: 284 Population: 1,325,000 Modes of Transit Bus/Paratransit 2006 Expenses (in millions) Operating: $122.2 Capital: $6.6 *Source: NTD 2006*	NYMTA Long Island Bus includes buses and paratransit in Nassau, western Suffolk, and eastern Queens counties. **Local Funding Sources** • Farebox (34% of operating expenses) • Nassau County local operating assistance for 18-b **State Funding Sources** • MMTOA • State operating assistance for 18-b
NYMTA Long Island Rail Road **(LIRR)** **www.mta.info/lirr/** Service Area Square Miles: 2,967 Population: 11,720,000 Modes of Transit Commuter Rail 2006 Expenses (in millions) Operating: $983.3 Capital: $614.3 *Source: NTD 2006*	NYMTA LIRR is the largest commuter railroad in the U.S. Rail lines are in New York City and also in Nassau and Suffolk counties. **Local Funding Sources** • Farebox (47% of operating expenses) • Investment income • Local operating assistance for 18-b • Station maintenance • Bridges and Tunnels operating surplus transfer **State Funding Sources** • MMTOA • MTTF (PBT receipts) • MRT • State operating assistance for 18-b • Additional Mass Transit Assistance Program aid

NYMTA Metro-North Railroad **www.mta.info/mnr/** Service Area Square Miles: 527 Population: 6,504,000 Modes of Transit Bus Commuter Rail Ferry Boat 2006 Expenses (in millions) Operating: $782 Capital: $379 *Source: NTD 2006*	NYMTA Metro-North Railroad is the second largest commuter railroad in the U.S. Rail lines are in New York City, Westchester, Putnam, Dutchess, Orange, and Rockland counties and in Connecticut. **Local Funding Sources** • Farebox (47% of operating expenses) • Investment income • Local operating assistance for 18-b • CDOT subsidy • Station maintenance • Bridges and Tunnels operating surplus transfer **State Funding Sources** • MMTOA • MTTF (PBT receipts) • MRT • State operating assistance for 18-b • Additional Mass Transit Assistance aid

Buffalo, New York

Niagara Frontier Transportation Authority (NFTA-Metro) **www.nfta.com/metro** Service Area Square Miles: 1,575 Population: 1,182,000 Modes of Transit Bus/Paratransit Light Rail 2006 Expenses (in millions) Operating: $104.6 Capital: $11 *Source: NTD 2006*	The Niagara Frontier Transportation Authority (NFTA) is responsible for transportation services including aviation and transit in the Buffalo Niagara area. NFTA-Metro operates in Buffalo, Lockport, Niagara Falls, and all points in between. **Local Funding Sources** • Farebox (23% of operating expenses) • Sales tax in Erie County • Mortgage recording tax • Erie County general fund match to State 18(b) funds • Niagara County general fund match to State 18(b) funds • Additional Erie County general fund (88c) • Peace Bridge revenue **State Funding Sources** • State Operation Assistance (STOA) from general Fund Section 18b that requires 100% local match • Public Transportation Operation Assistance Fund for Upstate Account from a portion of the PBT to provide non-matching assistance for transit systems outside the 12-county metro New York City transportation district. • Additional Upstate Operating Assistance – general funds that do not require local funds in addition to STOA requirement.

Charlotte, North Carolina

Charlotte Area Transit System (CATS) **www.ridetransit.org** Service Area Square Miles: 445 Population: 681,000 Modes of Transit Bus/Demand Response Light Rail Vanpool 2006 Expenses (in millions) Operating: $87.5 Capital: $188.2 *Source: NTD 2006*	CATS became a regional system in 1998 when voters in Mecklenburg County voted to approve the levy of a 0.5% sales tax to finance public transportation systems. A Transit Governance Interlocal Agreement approved in 1999 mandated the establishment of a policy board composed of mayors and managers of the city, the county and six suburban towns. **Local Funding Sources** • Farebox (14% of operating expenses) • County sales tax (0.5%) • Funds from local governments for Maintenance of Effort (city, county and towns are required to continue funds at the 1997-1998 level and the sales tax revenues are applied toward new and expanded transit services) **State Funding Sources** • State funds from motor fuel taxes and highway use taxes are distributed on a formula allocation to fixed routes systems for operations and to fund 50% of the local match for federal capital grants, Transportation Demand Management programs and regional transit planning • Subject to legislative appropriations, state funds from gas tax revenues may fund up to 25% of New Start projects

Cleveland, Ohio

The Greater Cleveland Regional Transit Authority (GCRTA) **www.riderta.com** Service Area Square Miles: 458 Population: 1,412,000 Modes of Transit Bus/Paratransit Light Rail Heavy Rail 2006 Expenses (in millions) Operating: $227.1 Capital: $86.9 *Source: NTD 2006*	GCRTA is an independent political subdivision of the State of Ohio. It was created in 1974 in the City of Cleveland, Ohio and Cuyahoga County, Ohio The GCRTA provides virtually all-mass transportation within the County. **Local Funding Sources** • Farebox (18% of operating expenses) • Sales tax (1.0%) in Cuyahoga County **State Funding Sources** • General fund from the Ohio Urban Transit Program to fund up to 80% of the non-federal portion of capital project expenses

Portland, Oregon

Tri-County Metropolitan Transportation District of Oregon (TriMet) **www.trimet.org** Service Area Square Miles: 574 Population: 1,254,000 Modes of Transit Bus/Demand Response Light Rail 2006 Expenses (in millions) Operating: $328.6 Capital: $63.1 *Source: NTD 2006*	TriMet is a municipal corporation providing public transportation for much of the three counties in the Portland, Oregon metro area. **Local Funding Sources** • Farebox (21% of operating expenses) • Employer payroll tax (0.6618% of gross payroll) • Self-employment tax (0.6618% on net earnings) • Bonds • Ad valorem property tax to pay principal and interest on voter approved general obligation bonds **State Funding Sources** • Cigarette tax • Identification card fees • Non-highway eligible gas tax • Mass Transit Tax (0.6%) of state wages paid locally • Interest • Lottery funds contribute to Tri-Met light-rail projects

Philadelphia, Pennsylvania

Southeastern Pennsylvania Transportation Authority (SEPTA) **www.septa.org** Service Area Square Miles: 825 Population: 3,316,000 Modes of Transit Bus/Paratransit Trolleybus Light Rail Heavy Rail Commuter Rail 2006 Expenses (in millions) Operating: $914.1 Capital: $342.7 *Source: NTD 2006*	SEPTA is a separate political subdivision of the Commonwealth of Pennsylvania established to provide public transit services for a five-county area: Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties. **Local Funding Sources** • Farebox (37% of operating expenses) • Shared Ride program and other local revenues are less than 8% of operating expenses and about 2% of capital **State Funding Sources** • General fund appropriations for Operating Assistance • Dedicated Public Transportation Assistance Fund (PTAF) for capital assistance - revenues from general sales tax, vehicle lease tax, rental car surcharge, and a tire tax. • Lottery and the general fund provide for the Senior Citizen Transportation Program for eligible fare reimbursement. • Bond proceeds fund the Discretionary Capital Assistance Program for specific capital projects authorized in the state capital budget. • [In 2007, all funding programs were combined into the Public Transportation Trust Fund with the following source of revenues: General sales tax, lottery revenue, bond proceeds, vehicle lease tax, rental car surcharge, tire tax, and other fees. Also effective 2007, the sources of state funds for transit include toll revenues from the Pennsylvania Turnpike Commission in lieu of a portion of general fund appropriation.]
Pennsylvania Department of Transportation Keystone Line **www.dot.state.pa.us/** Service Area Square Miles: 2,092 Population: 3,100,000 Modes of Transit Commuter Rail 2006 Expenses (in millions) Operating: $9.6 Capital: $12.6 *Source: NTD 2006*	The Keystone Line runs between New York City and Harrisburg by way of Philadelphia. Keystone service is provided by Amtrak, under contract to the Pennsylvania Department of Transportation. **Local Funding Sources** • Farebox (31% of operating expenses) **State Funding Sources** • State funds provide for operating expense not covered by fares and local match for federal grants for capital projects. Sources of state funds are not specified.

Port Authority Transit Corporation (PATCO) **www.ridepatco.org** Service Area Square Miles: 323 Population: 744,000 Modes of Transit Heavy Rail 2006 Expenses (in millions) Operating: $38.1 Capital: $14 *Source: NTD 2006*	The Port Authority Transit Corporation (PATCO) is a subsidiary of The Delaware River Port Authority (DRPA). The DRPA is self-sustaining without tax support. The PATCO Speedline operation began in 1969, with service from Lindenwold, New Jersey, to Center City Philadelphia. Today, PATCO works closely with regional partners SEPTA, NJ Transit and Amtrak to improve and expand public transportation services. **Local Funding Sources** • Farebox (50% of operating expenses) • Funds provided by the revenues of DRPA **State Funding Sources** • None

Pittsburg, Pennsylvania

Port Authority of Allegheny County (Port Authority) **www.portauthority.org** Service Area Square Miles: 775 Population: 1,415,000 Modes of Transit Bus/Paratransit Light Rail Inclined Plane 2006 Expenses (in millions) Operating: $336.3 Capital: $61.2 *Source: NTD 2006*	Port Authority is responsible for public transportation services to persons traveling within a 775 square-mile area, including the City of Pittsburgh and all of Allegheny County. The Port Authority Board of Directors consists of nine members appointed by the Allegheny County Chief Executive and approved by the Allegheny County Council. **Local Funding Sources** • Farebox (21% of operating expenses) • Allegheny County contributions and other local funds are less than 8% of operating expenses and about 2% of capital • Other funds for capital **State Funding Sources** • General fund appropriations for Operating Assistance • Dedicated Public Transportation Assistance Fund (PTAF) for capital assistance - revenues from general sales tax, vehicle lease tax, rental car surcharge, and a tire tax. • Lottery and the general fund provide for the Senior Citizen Transportation Program for eligible fare reimbursement. • Bond proceeds fund the Discretionary Capital Assistance Program for specific capital projects authorized in the state capital budget. • [In 2007, all funding programs were combined into the Public Transportation Trust Fund with the following source of revenues: General sales tax, lottery revenue, bond proceeds, vehicle lease tax, rental car surcharge, tire tax, and other fees. Also effective 2007, the sources of state funds for transit included toll revenues from the Pennsylvania Turnpike Commission in lieu of a portion of general fund appropriation.]

Dallas-Fort Worth, Texas

Dallas Area Rapid Transit (DART) **www.dart.org** Service Area Square Miles: 689 Population: 2,297,000 Modes of Transit Bus/Demand Response Light Rail Commuter Rail Vanpool 2006 Expenses (in millions) Operating: $408.4 Capital: $177.7 *Source: NTD 2006*	DART is the regional transit authority serving Dallas and 12 suburban cities in Dallas and Collin Counties. **Local Funding Sources** • Farebox (10% of operating expenses) • Local sales tax (1.0%)* • Rental income from rental of buildings and rail corridor properties • Reimbursement from the T for portions of commuter rail expense • Local capital contributions for rail expansion projects • Bond proceeds **State Funding Sources** • Not eligible for State funds for operating and capital* • Transportation development credits (toll credits) in lieu of local match for federal grants **DART reports local sales tax revenues as "State Dedicated" in NTD reports, presumably because the local tax is collected by the State Comptroller and then returned to the regional transit authority.*
Fort Worth Transportation Authority (The T) **www.the-t.com** Service Area Square Miles: 302 Population: 629,000 Modes of Transit Bus/Demand Response Commuter Rail Vanpool 2006 Expenses (in millions) Operating: $50.9 Capital: $16.3 *Source: NTD 2006*	The T is the regional transit authority serving the cities of Fort Worth, Blue Mound, and Richland Hills in Tarrant County. **Local Funding Sources** • Farebox (12% of operating expenses) • Local sales tax (0.5%) **State Funding Sources** • Not eligible for State funds for operating and capital • Transportation development credits (toll credits) in lieu of local match for federal grants

Austin, Texas

Capital Metropolitan Transit Authority (Capital Metro) **www.capmetro.org** Service Area Square Miles: 558 Population: 989,000 Modes of Transit Bus/Paratransit Urban Rail (open Mar 09) Vanpool 2006 Expenses (in millions) Operating: $129.3 Capital: $43.2 *Source: NTD 2006*	Capital Metro is the metropolitan transit authority serving the city of Austin; seven suburban cities; portions of unincorporated north and northwest Travis County; and an unincorporated area of southern Williamson County. **Local Funding Sources** • Farebox (4% of operating expenses) • Local sales tax (1.0%) • Funds from interlocal agreements with the University of Texas at Austin and Austin Independent School District **State Funding Sources** • Not eligible for State funds for operating and capital

Houston, Texas

Metropolitan Transit Authority of Harris County (METRO) **www.ridemetro.org** Service Area Square Miles: 1,285 Population: 2,797,000 Modes of Transit Bus/Demand Response Light Rail Vanpool 2006 Expenses (in millions) Operating: $327.5 Capital: $147.5 *Source: NTD 2006*	METRO is the metropolitan transit authority serving the city of Houston, 14 suburban cities, and portions of unincorporated Harris County. **Local Funding Sources** • Farebox (17% of operating expenses) • Local sales tax (1.0%) • Commercial paper **State Funding Sources** • Not eligible for State funds for operating and capital

Salt Lake City, Utah

Utah Transit Authority (UTA)
www.rideuta.com
 	
Service Area
Square Miles: 1,412
Population: 1,744,000
 	
Modes of Transit
Bus/Demand Response
Light Rail
Commuter Rail (open 4/08)
Vanpool
 	
2006 Expenses (in millions)
Operating: $154.4
Capital: $248.4
 	
Source: NTD 2006
	UTA was founded in March 1970 when the cities of Sandy, Salt Lake, and Murray voted to form a transit district. In 2006 the UTA service area was over 1,400 square miles and covers six counties: Box Elder, Davis, Salt Lake, Tooele, Utah and Weber. UTA is governed by a 16-member Board of Trustees appointed by the city and county governments that fund UTA with a local option sales tax. [Two additional towns in Utah County voted to raise sales tax 0.25% to join the UTA service area November 4, 2008.]
	
	Local Funding Sources
	• Farebox (15% of operating expenses)
	• Local option sales tax according to service levels
	  • 0.6825% in Salt Lake County
	  • 0.55% in Davis and Weber Counties
	  • 0.526% for Utah County municipalities
	  • 0.3% for Tooele and Box Elder County municipalities
	  • 0.25% for remainder of Utah County
	• Rents and leases on right-of-way
	• Bond proceeds
	
	State Funding Sources
	• Utah reported no State funds for transit in 2006

Virginia/Washington, D.C.

Virginia Railway Express (VRE)
www.vre.org
 	
Service Area
Square Miles: 730
Population: 680,000
 	
Modes of Transit
Commuter Rail
 	
2006 Expenses (in millions)
Operating: $47.3
Capital: $15.0
 	
Source: NTD 2006
	The VRE is a joint venture of the Potomac and Rappahannock Transportation Commission (PRTC) and the Northern Virginia Transportation Commission (NVTC). Both entities are political subdivisions of the Commonwealth of Virginia. VRE is a commuter rail service along two lines originating in Manassas and Fredericksburg, Virginia and terminating at Union Station in Washington, D.C. Connections are available to local transit providers at stations in Virginia and the District of Columbia.
	
	PRTC is a multi-jurisdictional agency representing Prince William and Stafford Counties and the cities of Manassas, Manassas Park and Fredericksburg, NVTC includes the cities of Alexandria, Fairfax, Falls Church and the counties of Arlington, Fairfax, and Loudoun.
	.
	Local Funding Sources
	• Farebox (41% of operating expenses)
	• Jurisdictional contributions.
	
	State Funding Sources
	• The regional motor fuels sales tax of 0.2% is used to fund public transportation in nine counties in the Washington, D.C. metropolitan area. The Commonwealth collects the revenues and sends the funds to the PRTC and NVTC for allocations.
	• The Commonwealth Transportation Trust Fund provides most state funding for transit in Virginia. Various taxes and fees, including general sales tax, gasoline tax, and motor vehicle [use] taxes are used to support the Trust Fund.
	  • State assistance for operating is financed from the Trust Fund. Funds are allocated to transit systems based on each system's operating expense as a percent of the statewide total.
	  • Transit Capital Assistance is funded from the general sales tax and the Trust Fund. Projects are subject to approval by the Commonwealth Transportation Board.

Washington, D.C.

Washington Metropolitan Area Transit Authority (WMATA)
www.WMATA.com

Service Area
Square Miles: 692
Population: 1,306,000

Modes of Transit
Bus/Demand Response
Heavy Rail

2006 Expenses (in millions)
Operating: $1,267.5
Capital: $542.2

Source: NTD 2006

The purpose of WMATA is to serve as a common transit agency for the District of Columbia, the Commonwealth of Virginia, and State of Maryland. The Authority was created in 1967 by an Interstate Compact to plan, build, finance, and operate a balanced regional transportation system in the Washington, D.C. area. The transit zone consists of Metrobus and Metrorail transit services in the District of Columbia, the suburban Maryland counties of Montgomery and Prince George's, and the Northern Virginia counties of Arlington, Fairfax, and Loudoun and the cities of Alexandria, Fairfax, and Falls Church.

WMATA is unique in that the agency does not have a dedicated local funding source. The District of Columbia, Commonwealth of Virginia, and State of Maryland agree to fund WMATA through Interjurisdictional Funding Agreements. These agreements are renewed every three to five years.

Local and State Funding Sources

- Farebox (40% of operating expenses)
- Advertising revenues are significant and so are specified here
- Parking fees
- Fiber Optic Program for installation, operation and maintenance of a fiber optic-based telecommunication network utilizing the excess capacity within the WMATA right-of-way.
- Joint development revenue at rail stations
- District of Columbia School Subsidy
- Revenues from pay phones, bike locker fees, etc.
- Reimbursable expenses for unique services, programs, or projects for which separate funding have been arranged. The most common of these projects are expanded bus services and capital improvements paid for by one of Metro's state and local government partners.
- Local subsidies from District of Columbia, the suburban Maryland counties of Montgomery and Prince George's, and the Northern Virginia counties of Arlington, Fairfax, and Loudoun and the cities of Alexandria, Fairfax, and Falls Church. State and local funds account for approximately 40% of the funding for the WMATA annual operating and capital budgets. A series of calculations and contractual agreements allocate this support among the WMATA jurisdictional funding partners.

Source of Funds in the District of Columbia

In 2006, the District of Columbia reported 81% of funds for transit were from general revenues and 19% from bond proceeds for capital projects.

	Source of Funds in Maryland State funds in Maryland help to support the large urban area transit program for the Maryland/Washington, D.C. The state funds capital and operating expenses. Funding to support all modal expenditures flows through the Maryland Transportation Trust Fund. Funds for the trust fund are generated from the state gas tax, vehicle sales tax, vehicle registration and license fees, bond proceeds, and the state's corporate income tax. Local jurisdictions may also contribute from general revenues or bond proceeds for unique services, programs, or projects for which separate funding have been arranged. **Source of Funds in Northern Virginia** The cities of Alexandria, Fairfax, Falls Church, and the counties of Arlington, Fairfax, and Loudoun comprise the Northern Virginia Transportation District (NVTD). Within the NVTD, a regional Motor Vehicle Fuel Sales Tax of 0.2% is collected by the Commonwealth. Funds are provided to the Northern Virginia Transportation Commission, which in turn, holds the funds in trust for each of its six member cities and counties, based upon where the funds are collected. Five of the member jurisdictions may use the funds only for the operating and capital expenses of WMATA. Loudoun may use the funds for any transportation expenses. *(See also discussion above about Virginia VRE.)*

Seattle-Tacoma, Washington

Central Puget Sound Regional Transit Authority (Sound Transit) **www.soundtransit.org** Service Area Square Miles: 1,086 Population: 2,670,000 Modes of Transit Bus Light Rail Commuter Rail 2007 Expenses (in millions) Operating: $143.6 Capital: $746.4 *Source: NTD 2007*	Sound Transit plans, builds and operates a high-capacity transit system within the most heavily travelled corridors in King, Pierce and Snohomish counties. The Sound Transit District includes the three-county area's urban centers and close to half of the state's population. In 1996, voters within the Sound Transit District approved local funding for a package of region-wide transit improvements: high-occupancy vehicle (HOV) lane access improvements, ST Express bus routes, Sounder commuter rail and Link light rail. Sound Transit contracts with the county transit agency in each county in the District (see below) to provide ST Express bus service for the region. **Local Funding Sources** • Farebox (15% of operating expenses) • Regional sales and use tax (0.4%) • Regional motor vehicle excise tax (0.3%) • Car rental tax (0.8%) • Contributions from local jurisdictions • Rental income from Sound Transit properties • [Voters approved 0.5% increase in sales tax November 4, 2008] **State Funding Sources** • Sound Transit reported no state funds for transit in 2007
King County Department of Transportation (Metro Transit) **transit.metrokc.gov** Service Area Square Miles: 2,134 Population: 1,788,000 Modes of Transit Bus/Demand Response Trolleybus Vanpool 2006 Expenses (in millions) Operating: $478.1 Capital: $56.9 *Source: NTD 2006*	Metro Transit is the name used to refer to the public transit agency serving King County. Metro operates a fleet of about 1,300 vehicles that serves an annual ridership of 100 million within a 2,134 square mile area. **Local Funding Sources** • Farebox (18% of operating expenses) • Local sales tax (0.8%) • Revenues from Sound Transit for ST Express routes and other related reimbursements **State Funding Sources** • State funds from fees, sales tax on new and used cars, and other non-gas tax revenues

Pierce County Transportation Benefit Authority (Pierce Transit) **www.piercetransit.org** Service Area Square Miles: 414 Population: 721,000 Modes of Transit Bus/Demand Response Vanpool 2006 Expenses (in millions) Operating: $87.4 Capital: $14.5 *Source: NTD 2006*	Pierce Transit is a municipal corporation responsible for public transportation in a 414-mile service area. Pierce Transit's service area includes Tacoma, Lakewood, and 14 other cities and towns along with extensive unincorporated areas of Pierce County. **Local Funding Sources** • Farebox (13% of operating expenses) • Local sales tax (0.6%) • Revenues from Sound Transit for ST Express routes and other related reimbursements **State Funding Sources** • State funds from fees, sales tax on new and used cars, and other non-gas tax revenues
Snohomish County Public Transportation Benefit Area Corporation (Community Transit) **www.commtrans.org** Service Area Square Miles: 281 Population: 695,000 Modes of Transit Bus/Demand Response Vanpool 2006 Expenses (in millions) Operating: $86.8 Capital: $7.8 *Source: NTD 2006*	Community Transit began service in 1976, after voters in Lynnwood, Edmonds, Mountlake Terrace, Brier, Woodway, Marysville, and Snohomish agreed to form their own local transit agency. Three decades later, citizens in every city in the county except Everett have voted to join the agency. Community Transit provides countywide commuter service into and out of Everett. **Local Funding Sources** • Farebox (18% of operating expenses) • Local sales tax (0.9%) • Revenues from Sound Transit for ST Express routes and other related reimbursements **State Funding Sources** • State funds from fees, sales tax on new and used cars, and other non-gas tax revenues

Table 17 is a summary of the sources of local funds to finance transit cross-referenced by state and transit agency.

Table 18, which immediately follows **Table 17**, lists each type of funding mechanism (identified in Section 4.3 of this report) and provides examples of transit agencies or states that use each funding mechanism to finance transit system in major metropolitan areas or to fund a regional rail project.

Table 17. Summary of the Sources of Local Funds to Finance Transit by Transit Agency

Metro Area or Corridor	Transit Agency	General Sales and Use Tax	Property or Parcel Tax	Vehicle Registration	Car Rental Tax	Tax on Motor Fuels	Motor Vehicle Sales Tax	Motor Vehicle Excise Tax	Mortgage or Real Estate Tax	Tolls	Parking Fees or Fines	General Fund Local	Other
Phoenix, AZ	Valley Metro-RPTA [a]	●											
San Francisco-Oakland, CA	BART	●	●							●	●		Concessions Telecomm Fees
	MUNI	●								●	●	●	Impact Fees
	AC Transit [b]	●	●							●			
	SamTrans [b]	●											
San Francisco to San Jose, CA	PCJPB Caltrain	●		●							●		
San Jose, CA	Santa Clara VTA	●		●									
Stockton to San Jose, CA	SJRRC ACE	●											
Sacramento, CA	Sacramento RT	●											Developer Fees
Sacramento to Oakland and San Jose, CA	CCJPB Capitol Corridor					● Excise						●	Intercity Rail
Los Angeles, CA	LACMTA	●											
Southern CA (5 counties)	SCRRA Metrolink	●				● Excise							Dispatching, Maintenance of Way
San Diego, CA	SANDAG [b]	●								●		●	
	MTS	●		●						●		●	
	NCTD	●											
Denver, CO	RTD	●										●	Joint Development
New Haven, CT	CDOT Shore Line East												***State Agency*** Funds by State Appropriation

Metro Area or Corridor	Transit Agency	General Sales and Use Tax	Property or Parcel Tax	Vehicle Registration	Car Rental Tax	Tax on Motor Fuels	Motor Vehicle Sales Tax	Motor Vehicle Excise Tax	Mortgage or Real Estate Tax	Tolls	Parking Fees or Fines	General Fund Local	Other
Miami, FL	Miami-Dade MDT	●										●	
South Florida (3 counties)	SFRTA Tri-Rail					● Excise						●	
Atlanta, GA	MARTA	●											
Chicago, IL	CTA	●							●		●	●	Rental Income from Properties
Suburban Chicago, IL	PACE Suburban Bus [b]	●											
NE Illinois (6 counties)	Metra	●											
North Indiana South Bend – Chicago, IL	NICTD South Shore Line	●										●	
Baltimore, MD	MTA												***State Agency*** Transportation Trust Fund
Boston, MA	MBTA	●									●	●	***State Agency*** Utility Fees Rental Income from Properties
Minneapolis-St. Paul, MN	Metropolitan Council/ Metro Mobility		●				●						
	Metro Transit		●				●						
	Counties Transit Improvement Board	●						●					
St. Louis, MO	Bi-State Metro	●										●	Concessions Telecomm Fees TMA
New Jersey	NJ Transit												***State Agency*** Transportation Trust Fund

Metro Area or Corridor	Transit Agency	General Sales and Use Tax	Property or Parcel Tax	Vehicle Registration	Car Rental Tax	Tax on Motor Fuels	Motor Vehicle Sales Tax	Motor Vehicle Excise Tax	Mortgage or Real Estate Tax	Tolls	Parking Fees or Fines	General Fund Local	Other
New Jersey to New York	PATH												Revenues from the Port Authority
New York City, NY	NYMTA New York City Transit								●	●		●	
	NYMTA Bus Company [b]								●			●	
	NYMTA Long Island Bus [b]											●	
	NYMTA LIRR									●		●	Station Maintenance
	NYMTA Metro-North									●		●	Station Maintenance
Buffalo, NY	NFTA Metro	●							●	●		●	
Charlotte, NC	CATS	●										●	
Cleveland, OH	GCRTA	●											
Portland, OR	Tri-Met		●										Employer Payroll and Self-Employed Tax
Philadelphia, PA	SEPTA												State Provides Subsidy and Local Match
Harrisburg, PA to NYC, NY	Penn DOT												Intercity Rail State Agency
Philadelphia, PA to New Jersey	PATCO												Revenues from the Port Authority
Pittsburg, PA	Port Authority											●	State Provides Subsidy and Local Match
Austin, TX	Capital Metro [a]	●											
Dallas, TX	DART	●										●	Rental Income from Properties

Metro Area or Corridor	Transit Agency	General Sales and Use Tax	Property or Parcel Tax	Vehicle Registration	Car Rental Tax	Tax on Motor Fuels	Motor Vehicle Sales Tax	Motor Vehicle Excise Tax	Mortgage or Real Estate Tax	Tolls	Parking Fees or Fines	General Fund Local	Other
Fort Worth, TX	The T	●											
Houston, TX	METRO	●											
Salt Lake City, UT	UTA	●											Rental Income from Properties
North Virginia to Washington, D.C.	VRE WMATA					● Sales						●	
Washington, D.C.	WMATA					● Sales					●	●	Joint Development Telecomm Fees MD Transportation Trust Fund
Seattle – Puget Sound Region	RTA Sound Transit	●			●			●				●	Rental Income from Properties
	King County Metro [b]	●											
	Pierce Transit [b]	●											
	Community Transit [b]	●											

Source: TTI review of information available in financial reports (budgets, financial statements, annual reports) on agency website.

Notes:

* Excludes directly generated operating revenue from fares and fare-related income, contracted services, and advertising; methods of financing such as bonds and leaseback funds; and interest income

[a] Agency scheduled to open rail project in near future.

[b] Agency does not operate rail transit mode.

Table 18. Agencies or States that Use a Particular Source of Revenue for Transit

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Transit-Generated Sources	
Fares	All transit agencies recover a portion of operating expense through fare revenue from users; however, the ratio for fare recovery may be low. The following are two examples of statutory requirements for minimum fare recovery. Maryland Transit Administration (MTA) - required by statute to recover 40% of transit operating expense for bus and urban rail through fares, with a goal of 50% fare recovery; required by statute to recover 50% of transit operating expenses for MARC commuter trains. Metra, Chicago - required by statute to have an operating ratio (operating revenues/operating expenses) of 55%.
Contract Services	Transit agencies often contract to provide services as a way to generate operating revenues. Contracts may call for payment in lieu of fares or may be based on delivery of a particular service. Capital Metro, Austin contracts with University of Texas to operate UT Shuttle in exchange for revenues from student fees. PACE, Suburban Bus Division in Chicago contracts with local employers to provide a specific service.
Lease Revenue	Several transit agencies collect revenue for rental income from properties. CTA, Chicago MBTA, Boston DART, Dallas UTA, Salt Lake City RTA Sound Transit, Seattle
Advertising Revenues	Most transit agencies earn some revenue from advertising on vehicles or passenger facilities. The agencies that generate the most significant revenue promote advertising in rail stations or other larger venues. WMATA, Washington, D.C. BART, San Francisco

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Concession Revenues	Concession revenue refers to income generated by sales at transit facilities. BART, San Francisco Bi-State, St. Louis
Donations	Donations include contributions from individuals or organizations to help cover the transit system capital or operating costs. Denver RTD - The governments of seven cities and counties located along the Southeast Corridor have pledged a total of $22.5 million in cash donations toward the construction of the Southeast Corridor light-rail line. A private business consortium has pledged an additional $7.5 million to corridor construction.
General Revenues and Taxes	
General Revenues or General Fund	Local government general revenues are sometimes the primary source of funding for a local transit agency if there is no other source of dedicated funding. MUNI, San Francisco Miami-Dade Transit, Miami WMATA, Washington, D.C. – Funds from District of Columbia, Commonwealth of Virginia, State of Maryland MBTA, Boston – Assessments to local government
General sales and use tax *Examples of a sales tax dedicated to transit*	The sales tax is the most common source of local funding for transit. The following is a list of examples of agencies and states that rely on this source of funding and is not intended to be inclusive. Texas - Local option sales tax for transit 0.25% to 1% California – 0.25% of the 7.25% state sales tax returned to the county of origin for transit San Francisco area – Transit sales tax 0.5% in 3 counties served by BART LACMTA, Los Angeles – two local transportation sales tax, each 0.5%, to improve and expand public transportation in Los Angeles County MBTA, Boston - 20% of statewide 5% sales tax

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
(Continued) Examples of a sales tax dedicated to transit	MARTA, Atlanta – 1% sales tax for transit in two counties RTD, Denver – 1% sales tax for transit within district King County Transit, Seattle - 0.8% sales tax for bus operations Sound Transit, Seattle – Sales tax 0.4% for operations and construction of regional transit Miami-Dade Transit, Miami – Sales tax 1/2% to fund "People's Transportation Program" GCRTA, Cleveland – 1% sales tax RTA, Chicago – sales tax 1% in Chicago and Cook County and 0.25% in five collar counties surrounding Chicago UTA, Salt Lake City – local option sales tax according to service levels, ranges from 0.25% to 0.6825%
Examples of a sales tax for transportation including highways, roadways, and transit; a portion of the tax may be dedicated to transit	Valley Metro-RPTA, Phoenix – 0.5% sales tax for transportation projects including highways, roadways, light-rail, and bus transit in the metropolitan region. One-third of revenues are dedicated to transit (light-rail and bus) SANDAG, San Diego County – 0.5% local option sales tax for transit, highways, and local streets and roads Santa Clara VTA, San Jose - local transportation sales tax 0.5% for transportation, 18.5% of the revenues from the sales tax are allocated to transit Sacramento RT – local transportation sales tax 0.5% for transportation, 38.25% of the revenues are allocated to transit
Property Taxes	BART, San Francisco – Property tax assessment in district Metro Transit, Minneapolis-St. Paul – Property tax assessment for debt service Oregon – General property tax provides funds for Oregon High Speed Rail Program Michigan legislation allows counties to implement property taxes dedicated to public transportation.

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Income Taxes - Personal	Oregon – Income taxes provide funds for the Oregon High Speed Rail Program
Motor Fuels and Vehicle-Related Taxes and Fees	
Motor Fuels Taxes	Several states designate a portion of the state motor fuels (excise) tax for transit: California Florida Maryland New York State North Carolina Virginia Oregon – non-highway use fuel tax Virginia – a regional motor fuels tax in nine counties supports (1) Northern Virginia's share of WMATA, D.C. operating expenses, and (2) VRE commuter rail and Omni Ride in the Potomac and Rappahannock region Tri-Rail, Miami – Local option increase in state excise tax on motor fuels. *Florida permits local option fuel tax*
Motor Vehicle Sales Tax	Several states designate a portion of the state motor vehicle sales tax for transit: Iowa (sole source of state revenue for transit) Maryland Michigan New York Washington Minnesota – 21.5% of annual state motor vehicle sales tax for Twin Cities transit and 1.43% for Greater Minnesota transit; will transition to 36% for Twin Cities and 4% for Greater Minnesota
Motor Vehicle Use Taxes and Registration Fees	Several states designate a portion of the state motor vehicle use tax and registration fees for transit: Florida Maryland Michigan Oregon – Department of Motor Vehicles ID fee NYMTA, New York – Vehicle registration fees and driver license fees

Source of Revenue by Type	***Example* Agencies or States that Use this Source of Revenue to Fund Transit**
Car Rental Fees	Pennsylvania and Florida – dedicate a portion of rental car taxes for transit Sound Transit, Seattle – car rental tax for transit Indiana, Kentucky, North Carolina and Wisconsin – permit local option rental car taxes to support transit
Vehicle Lease Fees/Taxes Fuel users tax, weight fees	Pennsylvania assigns a vehicle lease tax to transit. Fuel users tax or weight fees are identified as revenue sources for the following states: California Florida Washington
Parking Fees at Transit Facilities	Transit agencies that recover parking fees at transit facilities: BART, San Francisco Caltrain, CA CTA, Chicago MBTA, Boston WMATA, Washington
Parking Fees at Municipal Facilities	MUNI, San Francisco generates significant local revenues for transit from parking and traffic fees and fines
Tire Fee	Pennsylvania – a flat fee of $1 is charged per new highway motor vehicles tire sold
User or Market-Based Sources	
Tolls/User Charges	NYMTA, New York – Surplus tolls from bridges and tunnels are dedicated to support transit needs San Francisco Bay Area voters agreed to raise tolls on seven State-owned bridges to fund various transportation projects and provide regional traffic relief; toll revenues fund capital projects for BART, MUNI, and AC Transit Pennsylvania – Pennsylvania Turnpike Commission dedicated funds to transit – approximately $300M to the Public Transportation Trust Fund

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Congestion Pricing	High Occupancy Toll (HOT) Lanes - SR 91 in Orange County, CA generates significant revenues. Other HOT lane projects that generate less revenue are I-15 Express Lane in San Diego, CA; I-394 MnPASS in Minneapolis; QuickRide in Houston, and I-25 Express Lane in Denver. Projects near implementation are I-10 Managed Lane in Houston and I-15 Express Lane in Salt Lake City; projects in development in the Washington, D.C. area of Virginia, Florida and Washington State. London - International example congestion fees
Vehicle Miles Traveled (VMT) Fees	Oregon Department of Transportation is conducting a pilot study to demonstrate the technical and administrative feasibility of implementing an electronic collection system for mileage-based user fees and congestion tolls. The Oregon DOT will prepare a report and present the findings to the Oregon State Legislature in 2009
Emissions Fees	*No specific application identified*
Business Activities	
Employer/Payroll Taxes	Tri-Met, Portland – Employer payroll tax on gross payroll and self-employment tax on net earnings (0.6618%)
Gross Receipts Tax	New Jersey – Petroleum Gross Receipts Tax New York State – portion of Petroleum Business Tax on gross receipts of any business that imports, produces, or sells motor fuel, diesel motor fuel, or residual petroleum products
Income Taxes – Corporate	Maryland – the corporate income tax represents almost 9% of state funds for transit
Corporate Franchise Taxes	NYMTA, New York – two revenue sources for NYMTA transit: (1) business tax surcharge on business conducted in the NYMTA region ("MTA surcharge"); (2) long-lines tax on transportation and transmission companies
Business License Fees	*No specific application identified*
Utility Taxes/ Fees	MBTA, Boston – generates revenues by selling power at MBTA facilities MBTA, Boston; Bi-State, St. Louis; and WMATA generate revenue for fiber optic cable in right-of-way

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Mortgage Recording Taxes/Realty Transfer Fees	NYMTA, New York – tax on debt secured by certain mortgages on property
Documentary Stamp Tax	Florida – The Florida documentary stamp tax funds the state New Starts program.
Room/Occupancy	Texas – The Arlington Entertainment Area Management District funds a seasonal transit circulator from hotels to local attractions with a fee per occupied room per night. *This is not a hotel/motel tax*
Container Fees	Alameda Corridor Transportation Authority - a joint powers agency of the Cities and Ports of Los Angeles and Long Beach - first to institute container fees to help pay for transportation infrastructure improvements. *The fees are not dedicated to transit but the LACMTA was a major project participant*
Personal Activities	
Lottery Revenue, Gambling	New Jersey – Lottery funds transit for seniors and persons with disabilities Pennsylvania – Lottery is a source of funding for Senior Citizen Transportation Program Oregon – Lottery funds contribute to the Tri-Met light-rail project and the proposed commuter rail project Arizona – Lottery funds is the source of state funds for transit
Cigarette Tax	Oregon – a portion of the state cigarette tax is allocated to the Special Transportation Fund for senior and disabled transportation
Liquor Tax	Jefferson County Transit Authority in Birmingham, AL receives a dedicated share of the county's beer tax
Revenue Streams from Transit Projects	
Transit Oriented Development/ Joint Development	WMATA, Washington, D.C. extensive joint development of property at Metrorail stations RTD, Denver earns income from retail space at the Civic Center Station. The agency has a long history of joint development with local governments and private parties.

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Beneficiary Charges	*No specific application identified*
Value Capture	*See Joint Development above*
Impact Fees	California – Impact fees are widely used for road projects *Impact fees typically do not generate enough revenues to fund a large scale project - dependent on new development and are not easily bondable*
Special Assessment Districts	LACMTA, Los Angeles – Special property tax on commercial properties along rail line (selected segments)
Tax Increment Financing	Portland, OR – Tax increment financing was used to support 22% of the construction of the Portland Streetcar
Community Facility Districts (Community Improvement Districts or Transit Development Districts)	Funding mechanism for infrastructure projects where residential and commercial property owners are charged an annual fee for the benefit of infrastructure in the area Uptown Houston District, Texas – property owners fund enhanced transportation infrastructure in the district
Right-of-Way Leases	Portland Airport MAX light-rail extension to link City of Portland to Portland Airport - Exchange of land development rights -- Cascade Station Development Co., LLC providing 23% of total project cost in return for a long-term lease hold for 120 acres at Cascade Station
Air Rights	Denver, RTD - Income from air-rights lease at Civic Center Station
Airport passenger facility charges	Hiawatha LRT, Minneapolis – Metropolitan Airports Commission contribution $85 million to $675 million project
Financing Mechanisms	
Private Access to Tax-Exempt Bonds	Las Vegas Monorail Company (a non-profit public benefit 501 C4 corporation) used tax exempt revenue bonds based on future revenue from fares and advertising
Grant Anticipation Notes (GAN) Grant Anticipation Revenue Vehicles (GARVEE)	NJ Transit - Hudson-Bergen Light Rail (Stage 1) issued GAN based on FTA Full Funding Grant Agreement (FFGA) *Typically applied to highway projects*

Source of Revenue by Type	*Example* Agencies or States that Use this Source of Revenue to Fund Transit
Revenue Anticipation Notes (RAN)	*No specific application identified*
Private Activity Bond	*No specific application identified*
Certificates of Participation	*No specific application identified*
Tax Credit Bonds	*No specific application identified*
State Infrastructure Bank (SIB) Loans	SAFETEA-LU authorizes every state to set up a SIB that can manage a revolving loan fund, provide credit or issue bonds capitalized with seed money from federal and state sources for transportation projects
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	WMATA, Washington, D.C. - Acceleration of Washington Metro's Infrastructure Renewal Program for its Metrobus and its 103-mile Metrorail system - loan guarantee will allow WMATA to advance critical projects that otherwise will be stretched over a number of years.
Lease-back Agreements	Although once popular, the recent credit crisis has threatened this financing tool. MUNI, San Francisco BART, San Francisco CTA, Chicago WMATA, Washington METRO, Houston

Sources: National Cooperative Highway Research Program. Future Financing Options to Meet Highway and Transit Needs. NCHRP Web-only Document # 102. December 2006;Cambridge Systematics, Inc. in unpublished research for the Transportation Cooperative Research Program, Project H-34- Local and Regional Funding Mechanisms for Public Transportation. 2008; and research by TTI, 2008.

The purpose of **Table 19** is to illustrate the utility of each source of revenue as indicated by the possible revenue yield. The table also suggests if the revenue mechanism is appropriate as a local option tax or fee, or a program that can be implemented by the transit agency.

Revenue yield measures whether the funding source can provide a significant level of revenues given the expenditures required. The expenditures required are in the context of regional transit and especially regional rail (i.e. major investment capital and operating expense).

The implementation jurisdiction reflects the examples found in research. "Agency" indicates implementation of the revenue by the transit agency without additional governance authority. "Local option" reflects a funding mechanism that was authorized by local government(s). "State" indicates the tax or authority for the revenue source rests with the state government.

Table 19. Revenue Yield by Source of Revenue Based on Peer Experience

Source of Revenue by Type	Revenue Yield	Implementation Jurisdiction Peer Experience
Transit-Generated Sources		
Fares	Varies depending on fare policy	Agency
Contract of Services	Low	Agency
Lease Revenue	Low	Agency
Advertising Revenues	Low	Agency
Concession Revenues	Low	Agency
Donations	Low	Agency
General Revenues and Taxes		
General Revenues	High	State and Local Option
General sales and use tax	High	State and Local Option
Property Tax	High	State and Local Option
Income Taxes - Personal	High	State
Motor Fuels and Vehicle-Related Taxes and Fees		
Motor Fuels Taxes	High	State and Local Option
Motor Vehicle Sales Tax on Purchase	High	State
Motor Vehicle Use Taxes and Fees	High	State and Local Option
Car Rental Fees	Moderate	State and Local Option
Vehicle Lease Fees/Taxes	Moderate	State
Parking Fees	Low	Local Option and Agency
Tire Fee	Low	State
User or Market-Based Sources		
Tolls/User Charges	Varies depending on project	State and Local Option
Congestion Pricing	Varies	Local Option
Vehicle Miles Traveled (VMT) Fees	*Under Study*	*Under Study*
Emissions Fees	Moderate	*No specific application*
Toll Credits (Transportation Development Credits)	Not a revenue	State
Business Activities		
Employer/Payroll Taxes	High	State and Local Option
Gross Receipts Tax	High	State
Income Taxes – Corporate	High	State
Corporate Franchise Taxes	High	State and Local Option
Business License Fees	Moderate	*No specific application*
Utility Taxes/ Fees	Moderate	Local Option and Agency
Mortgage Recording Taxes/Realty Transfer Fees	Moderate	State and Local Option
Documentary Stamp Tax	Moderate	State
Room/Occupancy	Low	Local Option
Container Fees	Low	Local Option

Source of Revenue by Type	Revenue Yield	Implementation Jurisdiction Peer Experience
Personal Activities		
Lottery Revenue, Gambling	Moderate	State
Cigarette Tax	Low	State
Liquor Tax	Low	Local Option
Revenue Streams from Transit Projects		
Transit Oriented Development/ Joint Development	Varies depending on project	Agency
Beneficiary Charges	Low	*No specific application*
Value Capture	Low	Agency
Impact Fees	Low	Local Option
Special Assessment Districts	Low	Local Option
Tax Increment Financing	Moderate	Local Option
Community Facility Districts	Low	Local Option
Right-of-Way Leases	Low	Agency
Air Rights	Low	Agency
Airport passenger facility charges	Low	Local Option

Sources: National Cooperative Highway Research Program. Future Financing Options to Meet Highway and Transit Needs. NCHRP Web-only Document # 102. December 2006;Cambridge Systematics, Inc. in unpublished research for the Transportation Cooperative Research Program, Project H-34- Local and Regional Funding Mechanisms for Public Transportation. 2008; and research by TTI, 2008.

4.5 SUMMARY OF FINDINGS AND OBSERVATIONS

The research about sources of local revenue to fund transit reveals the following findings and observations about current trends.

- Sales tax is most often reported as a source of local revenue for transit. Local agencies continue to ask voter approval of the sales tax as a new or additional source of revenue. For example, in November 2008, voters approved sales tax proposals for transit in Los Angeles County, the San Francisco Bay Area, Seattle, Chicago, and in towns in Utah voting to join the regional transit authority.

- Some regions authorize sales tax at different rates in local communities depending on the level of transit service to be funded. For example, in Utah, counties and towns may join the Utah Transit Authority at local option sales tax rates that range from 0.25% to 0.6825% according to service levels. In northeastern Illinois, the Regional Transit Authority (RTA) sales tax is 1% in Chicago and Cook County but 0.25% in each of the five "collar" counties surrounding Chicago.

- Sales tax referenda are often presented to voters to fund general transportation rather than a dedication of the tax to transit only. This provides more regional flexibility and also may improve the chances of voter approval. For example, in 2004, voters approved the TransNet

sales tax (0.5%) in San Diego County for highway, local road, and transit projects; and voters in the Phoenix area (Maricopa County) approved Proposition 400 to authorize a 0.5% sales tax to fund highways, roadways, and transit. In both San Diego and Maricopa counties, approximately 33% of all sales tax revenues are used to fund transit.

- A regional motor fuels sales tax of 0.2% is authorized as a local option in Virginia. The funds generated are used by regional governments to fund transit including a subsidy for rail service to Washington, D.C. Florida permits up to an 11 cent local option on the state excise tax on motor fuels; a local option increase in the state excise tax on motor fuels in Dade, Broward and Palm Beach counties is used to fund Tri-Rail.

- Property taxes are often dedicated to debt service on bonds rather than general revenue for transit services.

- Motor vehicle use taxes and registration fees are the source of local revenues for transit in several states. In California, air quality management districts collect a surcharge of $4.00 on motor vehicle registrations to assist in funding local transit. A car rental tax (0.8%) is one source of funds for regional transit by Sound Transit in the Seattle area.

- Several regional agencies have implemented variations on taxes or fees for real estate transactions or instruments of indebtedness. The mortgage recording tax is used in New York City to fund commuter rail; the documentary stamp tax is used in Florida to fund the State New Starts program; and the state of Illinois returns the value of real estate transfer tax revenues collected in northeast Illinois to RTA to fund regional transit.

- Mileage-based user fees (vehicle miles traveled fees) have generated a lot of interest but are not yet demonstrated in general application. The Oregon Department of Transportation is conducting a pilot study to demonstrate the technical and administrative feasibility of implementing an electronic collection system for mileage-based user fees. Results are expected in 2009. TTI is conducting research for similar applications in Texas.

- Employer payroll taxes and self-employment taxes are used to fund transit in Portland, Oregon.

- Corporate business taxes are used to fund transit in New York and in New Jersey. Specific taxes are charged on petroleum businesses and certain transportation and transmission companies (long-line taxes).

- Bridge tolls have long been used to fund transit projects that expand capacity or mitigate congestion in New York and San Francisco. Recently, the tolls from turnpikes in Pennsylvania have been dedicated to the Public Transportation Trust Fund.

- Often, regional transit authorities use a combination of revenue sources to fund transit, rather than relying on one primary tax source. For example, Tri-Met in Portland, Oregon generates local revenues from employer payroll taxes, self-employment taxes, ad valorem property taxes, and bond initiatives. The transit authority also receives state funds that are generated from a cigarette tax, eligible gas tax revenues, identification card fees, and lottery funds. In

San Francisco, the Municipal Railway Company (MUNI) reports revenues from the state sales tax, a local sales tax for transit, bridge tolls, parking and traffic fees and fines, and general fund from the City of San Francisco.

- A joint powers agreement is the governance model for implementation of regional rail and commuter rail lines in California.

- Support from the state government is critical to funding local and regional transit in most states. Many states make significant investments of state revenues to support local and regional transit systems, typically for both operating and capital programs. In California, a portion of the state sales tax is returned to the county of origin for transit, making it possible to fund transit in every community, including those that do not have a local option sales tax for transit or transportation.

- States also create local option funding opportunities that permit local and regional agencies to leverage additional funds for transit if supported by local voters. Three examples of this type of state support for transit are reported in Washington State, Virginia, and Florida.

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Appendix:
Profiles of Regional Commuter Rail Projects

The purpose of this Appendix is to provide more detailed descriptions of 20 regional commuter rail projects that were referenced in the body of the report. Regional refers to rail systems that serve a complex multi-county and multi-city metropolitan area or connect two or more metropolitan areas. Commuter rail services provide common carrier passenger transportation along railway tracks, with scheduled service on fixed routes on a non-reservation basis primarily for regional travel between cities of a metropolis. Commuter rail often uses track that is shared with freight rail operation or track that was abandoned by a freight operator and is now owned by the public transportation provider.

Most commuter rail systems differ from rapid transit or light rail because the vehicles are larger; service typically operates at a lower frequency; and the commuter rail trains share track or right-of-way with intercity or freight trains. If commuter rail is built in the same right-of-way with freight or intercity services, system construction costs can be reduced. However, commuter rail is sometimes built with dedicated tracks within the right-of-way or in separate right-of-way to improve schedule performance and access to specific destinations.

All of the information reported in this Appendix is sourced to the website of each transit agency or rail authority. The website link is provided for each profile. The regional commuter rail projects that are described in the profiles are the following, in the order of presentation:

- Caltrain, Peninsula Corridor, California
- Altamont Commuter Express (ACE), San Joaquin Region, California
- Capitol Corridor, Sacramento to Oakland, California
- Metrolink, Southern California
- Coaster, San Diego, California
- Shore Line East, New Haven, Connecticut
- Tri-Rail, South Florida
- Metra, Chicago, IL
- South Shore Line, Northern Indiana
- MARC, Baltimore, Maryland
- MBTA Commuter Rail, Boston, Massachusetts
- NJ Transit Commuter Rail, New York - New Jersey
- NYMTA Long Island Rail Road (LIRR), New York
- NYMTA Metro-North Commuter Railroad (Metro-North), New York
- SEPTA Regional Rail, Philadelphia, Pennsylvania
- Keystone Line, Harrisburg, Pennsylvania
- Trinity Railway Express (TRE), Dallas-Fort Worth, Texas
- FrontRunner, Salt Lake City, Utah
- Virginia Railway Express, Virginia
- Sounder Commuter Rail, Seattle-Tacoma, Washington

These profiles do not include rapid transit (heavy-rail) or light-rail transit systems. For this reason, there are two heavy-rail transit systems that are not referenced here but certainly do have a regional rail function: BART in the San Francisco Bay Area and WMATA Metrorail in Washington, D.C.

Caltrain

Peninsula Corridor Joint Powers Board, San Carlos, California

www.caltrain.com

Caltrain is a commuter train line that runs between San Francisco and San Jose, CA with additional weekday commute-hour service to Gilroy.

The original Peninsula railroad corridor between San Francisco and San Jose was constructed in 1863 by the San Francisco and San Jose Rail Road, which was purchased by Southern Pacific Railroad (SP) in 1870.

Under SP's ownership, the line was double-tracked in 1904 and experienced record ridership during World War II. After the war, the ridership slowly declined with the rise of automobile use. In 1977, SP filed a petition with the state Public Utilities Commission to discontinue the commuter operation due to the ongoing operating losses.

To preserve the commuter service, the California Department of Transportation (Caltrans) contracted SP in 1980 and began to subsidize the operation. During the Caltrans administration, Caltrans purchased new locomotives and rolling stock that replaced the SP equipment in 1985, upgraded stations, introduced shuttle buses to nearby employers, and rebranded the operation as CalTrain. In July 1997, the current logo was adopted, and the official name became Caltrain.

In 1987, the Peninsula Corridor Joint Powers Board (PCJPB) was formed to manage the line. With state and local funding, the PCJPB purchased the railroad right of way between San Francisco and San Jose from SP in 1991. In the following year, PCJPB took over the full responsibility for Caltrain operations. Also, PCJPB extended the Caltrain service from San Jose to Gilroy, with a direct connection to the Santa Clara Valley Transportation Authority (VTA) Light Rail at Tamien Station in San Jose. There are 77 miles of track and 33 stations from San Francisco to Gilroy. Seven of them (Millbrae, Burlingame, San Carlos, Menlo Park, Palo Alto, Santa Clara, San Jose) are listed on the National Register of Historic Places.

Governance

The joint powers agreement established a nine-person board of directors that shapes the current and future direction of Caltrain. Various entities at the local level participate in appointing three persons to represent each of the member counties: San Mateo, Santa Clara, and San Francisco. The PCJPB also has created a nine-person Citizens Advisory Committee (CAC) composed of three citizens from each PCJPB county. The principal objective of the CAC is to articulate the interests and needs of current and future patrons.

Amtrak is the contract operator for Caltrain. The San Mateo County Transit District (SamTrans) provides administration and contract oversight.

Funding

Funding for the operations of Caltrain comes from fare and parking revenues, federal operating assistance, and operating subsidies from the three counties. The PCJPB has a formula to determine the amount of subsidy required by each PCJPB member for operating and

administrative expenses. This formula is based on the number of morning commute boardings occurring in each member county and is updated annually based on actual ridership counts. The subsidies required from each county are: San Mateo 49%, Santa Clara 37.7% and San Francisco 13.3%. Capital expenses are allocated equally among the three PCJPB members.

Shuttle buses are operated from some stations. The Bay Area Air Quality Management District provides partial funding for the shuttle bus program. The Air Quality Management District, in conjunction with the California Department of Motor Vehicles, collects a $4.00 surcharge on motor vehicle registrations paid within the District's jurisdiction. The cost of the shuttles not paid from the vehicle registration surcharge is funded by the PCJPB and by area employers served by the shuttles.

NTD 2006

In fiscal 2006, there were 9 million annual unlinked passenger trips on Caltrain. Other key statistics are: 50.78 unlinked passenger trips per vehicle revenue hour, $7.74 operating expense per passenger trip, $3.20 fare revenue per passenger trip, and 41% fare recovery.

Source: *http://www.caltrain.com*

Caltrain
Peninsula Corridor Joint Powers Board
San Jose-San Francisco, California

Altamont Commuter Express (ACE)

San Joaquin Regional Rail Commission, Stockton, California

www.acerail.com

The Altamont Commuter Express (ACE) is a commuter train that runs between Stockton and San Jose California. The San Joaquin Regional Rail Commission (SJRRC) is the owner of the ACE service and contracts operations and maintenance to a private company, Herzog Transit Services, Inc.

ACE service starts in Stockton, CA, in San Joaquin County, travels through Alameda County and terminates in San Jose, CA, in Santa Clara County. As the service travels through several counties, it also travels through several jurisdictions governed by various authorities. Stockton, CA, lies in San Joaquin County where transportation is governed by San Joaquin Council of Governments (SJCOG). Alameda County is governed by the Alameda County Transportation Authority and the Alameda County Congestion Management Agency. Service ends in San Jose, CA, which is in Santa Clara County where transportation is governed by the Santa Clara Valley Transportation Authority (VTA). Due to the regional nature of the ACE service, special agreements and funding situations are necessary to operate and fund the rail line. Currently ACE service is owned and managed by the SJRRC.

Governance

The current structure of the SJRRC is a Joint Powers Authority (JPA) consisting of the Cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, Tracy and the County of San Joaquin. The SJRRC is governed by a Board of Directors that is appointed by the San Joaquin Council of Governments from nominations by the local agencies.

The ACE service is run under a Cooperative Services Agreement between SJRRC, Alameda County CMA and VTA. The Cooperative Services Agreement identifies SJRRC as the owner and manager of the ACE service and identifies how the operations and capital projects for the ACE service are funded by the three parties.

Initial Funding

In 1997 the JPA started to purchase initial rolling stock and paid for track improvements. The initial purchase of rolling stock included eight passenger cars and two locomotives for approximately $21 million. Approximately $15.1 million was paid for track improvements to Union Pacific (UP). These initial purchases were made with the monies collected from the Measure K local sales tax and Proposition 116 funds from the State of California. Voters approved Proposition 116 in 1990, which made $1.99 billion state dollars collected from sales tax available for rail project expansion.

The following information is from the ACE 2006 Short Range Transit Plan (SRTP). The short range transit plan projects the amount of revenues that will be required for ACE commuter rail service over the 10 year period from fiscal year 2007 through 2016.

Capital Program

The 10-year capital program for the ACE commuter rail service is funded through federal, state and local funds.

Capital Program 10-Years 2006/07 through 2015/16

Category Source	Amount (millions)	% of Total
Federal	$123.09	25.96 %
State	$155.30	32.75 %
Local	$195.80	41.29 %
Total	$474.19	100.00 %

Federal Funding - The financial plan for the capital program for the ACE commuter rail service includes funding from five categories of federal funds: Congestion Mitigation/Air Quality (CMAQ), Surface Transportation Program (STP), FTA Section 5307 Formula, FTA Section 5309 Discretionary funds, and Homeland Security.

Federal Sources of Funding for Capital 10-Years 2006/07 through 2015/16

Category	$ 10-years (millions)	Years Expected	$ Average Annual (millions)	% of Total
CMAQ-STP	$15.89	2007, 2008, 2011, 2013, 2015	$3.18	12.9 %
5307	$27.90	ALL	$2.79	22.7 %
5309 Fixed Guideway	$58.90	ALL	$5.89	47.9 %
5309 Bus Facilities	$3.30	2008, 2009	$1.65	2.7 %
5309 New Starts	$13.40	2007, 2008, 2009	$4.47	10.9 %
Homeland Security	$3.70	ALL	$0.37	3.0 %
TOTAL	$123.09			

State Funding -The funding from state sources for the ACE rail plan includes funding from the following sources: Trade Corridor Bond Funds, State Transit Assistance (STA), state tax rebate from prior equipment purchases and Alameda County Congestion Management Agency STP.

State Sources of Funding for Capital 10-Years 2006/07 through 2015/16

Category	$ 10-years (millions)	Years Expected	$ Average Annual (millions)	% of Total
State Transit Assistance	$15.00	2008, 2009, 2010	$5.00	60 %
Sales Tax Rebate from prior equipment purchases	$1.30	2006, 2007	$0.65	5 %
Alameda County CMA	$9.00	2009, 2010, 2013, 2015	$2.25	35 %
TOTAL	$25.3			

Capital revenues in the state Capital Financial Plan include $9.0 million in STIP funding from Alameda County CMA for required track projects, and $15 million from STA revenues. The total state revenue produced over the 10-year period encompasses $155 million.

Local Funding - Local funding consists primarily of transportation sales tax revenues earmarked for the ACE service from each of the three counties in the corridor. Over 10 years, the SJRCC in San Joaquin County will contribute $167 million, Alameda County will contribute $12 million and Santa Clara County will provide $17 million. The total revenues generated by local funding are $196 million over the 10 year transit plan, or about $19.6 million per year.

Operating Budget

The annual operating budget for the ACE commuter rail service in 2006/07 was $13.3 million. The operating expense is expected to increase due to expansion of service (additional train starts per day) and inflation to an operating budget of $18.8 million in 2015/16 at the end of the 10-year plan. The average annual total operating budget over 10 years is $15.6 million.

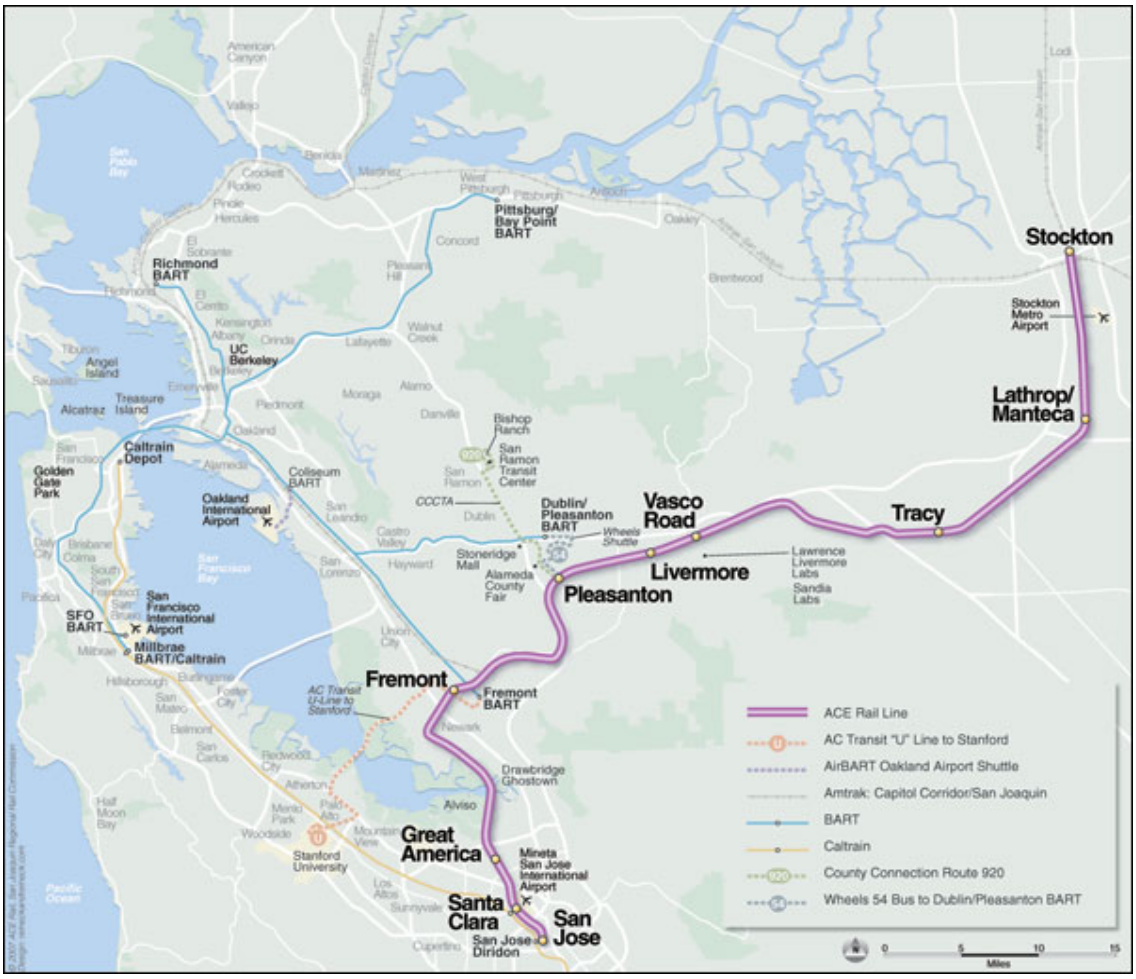
In addition to passenger fares, local funding consists primarily of transportation sales tax revenues earmarked for the ACE service from each of the three counties in the corridor.

Operational Funding 10-Years 2006/07 through 2015/16

Category Source	Amount (millions)	% of Total
Fare Revenues	$54.50	35.0%
Santa Clara VTA	$29.56	19.0%
Alameda CCMA	$20.69	13.3%
San Joaquin County	$25.64	16.5%
Other	$25.10	16.1%
Total	$155.50	100.00%

NTD 2006

In fiscal 2006, there were 641,963 annual unlinked passenger trips on ACE. Other key statistics are: 34.34 unlinked passenger trips per vehicle revenue hour, $19.09 operating expense per passenger trip, $5.36 fare revenue per passenger trip, and 28% fare recovery.



Source: http://www.acerail.com/

Altamont Commuter Express (ACE)
San Joaquin Regional Rail Commission
Stockton-San Jose, California

Capitol Corridor (Intercity Rail Service)

Capitol Corridor Joint Powers Authority (CCJPA), Oakland, California

www.capitolcorridor.org

The Capitol Corridor is an intercity passenger rail route for people traveling along the congested I-80, I-680, and I-880 freeways in California between San Jose and Sacramento. Train service operates to 16 stations in 8 Northern California counties: Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco, and Santa Clara. In addition, the Capitol Corridor connects outlying communities to the train service via a dedicated bus network and partnerships with local transit agencies that assist passengers traveling to destinations beyond the train station.

Capitol Corridor service began in December 1991 with six daily trains between San Jose and Sacramento. The CCJPA assumed management responsibility for the service in October 1998; since then the rail project has grown to become the third busiest intercity passenger rail service in the nation. In April 2001, the CCJPA expanded service to 18 daily trains. In FY 2002-03, service was increased three times to bring the frequency up to 24 weekday trains by April 2003. In August 2006, the CCJPA expanded service to 32 weekday trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose, using the same train fleet as the 24-train service plan. Once again, this expansion was accomplished with no increase in state budget by growing ridership and revenue, reallocating funds for more efficient use, and making cost-effective service changes.

With the implementation of the August 2006 service expansion, the CCJPA has reached its maximum capacity in terms of rolling stock and service frequency along the core (Sacramento – Oakland) route.

Governance

The Joint Exercise of Powers Agreement in 1996 between the San Francisco Bay Area Rapid Transit District (BART) and five other transportation authorities in surrounding counties (Placer County Transportation Planning Agency, Sacramento Regional Transit District, Santa Clara Valley Transportation Authority, Solano Transportation Authority, and the Yolo County Transportation District) created the Capitol Corridor Joint Powers Authority, a public instrumentality of the State of California.

Capitol Corridor was formed for the purpose of administering and managing the operation of the Capitol Corridor rail service as part of the California intercity passenger rail system. BART is the managing agency of Capitol Corridor and provides all necessary administrative support.

The governing board of Capitol Corridor consists of six members from BART and two members from each of the five other Agencies. Neither BART nor the other agencies are responsible for any debt, liabilities and obligations of Capitol Corridor and BART would not be entitled to any of Capitol Corridor's net assets should it terminate.

Funding

Each year the Capital Corridor receives funding from the State of California, Business, Transportation, and Housing Agency from gas tax revenues to cover operating costs and marketing expenses. In turn, the CCJPA pays Amtrak for the operation of the Capitol Corridor service. The primary source of funding for capital improvements is the State Transportation Improvement Program (STIP), which allocates federal and state funds to a program of projects every two years. Previous allocations from the State's Public Transportation Account (PTA) and the Traffic Congestion Relief Program provided additional funding for track and station upgrades which enabled the August 2006 service expansion to occur. The CCJPA also receives local transportation funds directly or via collaborative track and station projects sponsored by local communities.

NTD 2006

As an intercity transit service, the Capitol Corridor does not report operating and service statistics to the NTD.

Capitol Corridor
Capitol Corridor Joint Powers Authority
San Jose-Sacramento, California

Metrolink

Southern California Regional Rail Authority, Los Angeles, California

www.metrolinktrains.com

During the late 1980s, several agencies conducted studies and developed plans for commuter rail transportation in Southern California. During this time, sales tax options were passed in Riverside and San Bernardino counties. In 1990 sales tax options were passed in Los Angeles and Orange counties. In June 1990 the California Legislature enacted Senate Bill 1402, Chapter 4 of Division 12 of the Public Utilities Code. This bill required the county transportation commissions of Los Angeles, Orange, Riverside and San Bernardino to jointly develop a plan for regional transit services within the multi-county region. In November 1990, several state rail bond measures to fund regional rail transportation passed voter approval. The state rail bonds (Proposition 116) and additional local and state funds provided for the purchase of the rail rights-of-way and construction of what was to become the Metrolink system.[21]

In 1991, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties formed a regional Joint Powers Agreement (JPA) which formed the Southern California Regional Rail Authority (SCRRA). The SCRRA operates the regional commuter rail system, Metrolink.

SCRRA's purpose is to plan, design, construct, and administer the operation of regional passenger rail lines service in the counties of Los Angles, Orange, Riverside, San Bernardino and Ventura.

The Metrolink system includes seven routes that serve 55 stations through Southern California. The total system is about 388 miles, some lines share track.

- 91 Line (61.6 mile route between Union Station and Riverside-Downtown)
- Antelope Valley Line (76.6 mile route between Union Station and Lancaster)
- Inland Empire-Orange County (IEOC) Line (100.1 mile route between San Bernardino and Oceanside)
- Orange County Line (87.2 mile route between Union Station and Oceanside)
- Riverside Line (59.1 mile route between Union Station and Riverside-Downtown)
- San Bernardino Line (56.5 mile route between Union Station and San Bernardino/Riverside-Downtown)
- Ventura County Line (70.9 mile route between Union Station and Montalvo, Ventura)

***Governance*[22]**

SCRRA is a JPA between the responsible transit agencies for the counties of: Los Angeles, San Bernardino, Riverside, Ventura, and Orange.

The SCRRA Board of Directors consists of 11 voting members and three ex-officio members. Voting

[21] http://www.metrolinktrains.com/documents/About/SCRRA_Strategic_Assessment.pdf

[22] http://www.metrolinktrains.com/documents/About/JPA_agreement.pdf

members with their respective number of votes are: Los Angeles County Metropolitan Transportation Authority (LACMTA), four votes; Orange County Transportation Authority (OCTA), two votes; Riverside County Transportation Commission (RCTC), two votes; San Bernardino Associated Governments (SANBAG), two votes; and Ventura County Transportation Commission (VCTC), one vote. Ex-officio members of the SCRRA include the Southern California Association of Governments (SCAG), the San Diego Association of Governments (SANDAG) and an appointee of the Governor of California (preferably from Caltrans).

Funding

Member agencies contribute to capital improvements within the Metrolink system and provide operating subsidies. Each member agency owns rights-of way over which Metrolink commuter rail services operate. Metrolink also operates over rights-of way owned by the freight railroads. Local jurisdictions, Caltrans, and some member agencies own and operate the Metrolink stations. Amtrak long-distance trains and the state-subsidized Pacific Surfliner intercity trains also serve some stations. Some revenues are generated through dispatching and maintenance of way. State funds are from eligible uses of the state gas tax, STIP rail funds for urban and commuter rail, and the Traffic Congestion Relief Program.

Initial Capital Costs

These totals include track, equipment and capital improvements, but do not include stations. The total system is about 388 track miles (some lines share track).

Ventura County Line	$129 million
Antelope Valley Line	$57 million
San Bernardino Line	$229 million
Riverside Line	$102 million
Orange County Line	$181 million
Inland Empire-Orange County/ 91/Orange County Lines	$262 million
Shared Facilities/Equipment	$498 million
TOTAL	$1,458 million

NTD 2006

In fiscal 2006, there were 11.7 million annual unlinked passenger trips on the Metrolink. Other key statistics are: 49.84 unlinked passenger trips per vehicle revenue hour, $10.18 operating expense per passenger trip, $4.93 fare revenue per passenger trip, and 49% fare recovery.

Source: *http://www.metrolinktrains.com/*

Metrolink
Southern California Regional Rail Authority
Los Angeles, California

Coaster

North County Transit District, San Diego, California

www.gonctd.com

The Coaster opened on February 27, 1995. The service is provided by the North County Transit District (NCTD). NCTD's geographical service area encompasses 1,020 square miles of north San Diego County extending from Del Mar in the South, northeasterly to Escondido, north to the Riverside County line and west to the Orange County line. The area includes the unincorporated communities of Fallbrook and Ramona as well as the Camp Pendleton Marine Corp Base. Other cities in the service area include Solana Beach, Encinitas, Carlsbad, Oceanside, Vista and San Marcos. The total population of the NCTD service area is more than 800,000.

The alignment of The Coaster runs from Oceanside to San Diego, CA. The alignment is 41 miles long with eight stations along the route. From end to end the travel time is approximately 60 minutes with an average operating speed of 40 mph.

The Coaster rail service is bi-directional. The Coaster operates Monday through Saturday with additional service Friday nights and for professional baseball games (played in downtown San Diego). The Coaster operates 11 trains in each direction Monday through Friday, two additional trains on Friday evening and four trains on Saturday. Frequency varies by time of day and day of operations. Average daily boardings are about 5,800 passengers

Governance

The service is provided by NCTD. NCTD is one of the independent transit districts within the San Diego County area, where the regional planning and financial policy agency is the San Diego Association of Governments (SANDAG).

NTD 2006

In fiscal 2006, there were on average 1.55 million annual unlinked passenger trips on the Coaster. Other statistics: 50.49 unlinked passenger trips per vehicle revenue hour, $10.42 operating expense per passenger trip, $3.91 fare revenue per passenger trip, 38% fare recovery.

Source: http://www.gonctd.com/

Coaster
North County Transit District
San Diego, California

Shore Line East
Connecticut Department of Transportation, Hartford, Connecticut
www.shorelineast.com

Shore Line East (SLE) is a commuter rail service providing access between New London and New Haven and beyond. There is Shore Line Express service to and from Bridgeport and Stamford.

SLE trains are owned and operated by Connecticut Department of Transportation (ConnDOT). The state contracts with Amtrak to provide daily rail operations. SLE commuter operations began in 1990, serving seven stations along the 33-mile segment of Amtrak's Northeast Corridor between New Haven and Old Saybrook. The service was extended to New London in 1996. SLE provides more than 2,100 passenger trips each day, nearly 484,000 annual passenger trips.

Shore Line East trains run from the shoreline to New Haven's State Street Station and Union Station seven days a week. There are also early morning trains that travel nonstop from New Haven's Union Station to Old Saybrook.

Direct connections are available to the New Haven Line (NYMTA- Metro North Commuter Railroad Company).[23]

Governance

SLE is a transit service of ConnDOT. The sources of operating funds are fares and local funds.

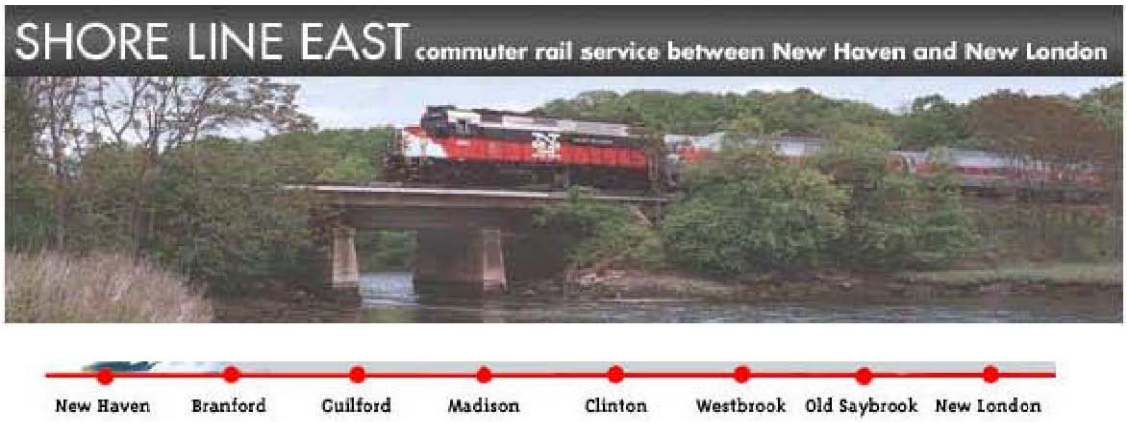
Funding

The commuter rail is financed from the state Special Transportation Fund (STF). The sources of revenue for the STF are: state excise tax on motor fuels; motor vehicle registration fees; sales tax on motor vehicles; oil company tax; other license, permit and fee income; FTA transit operating assistance provided to the state; interest income, and transfers from the general fund.

NTD 2006

In fiscal 2006, there were 445,564 million annual unlinked passenger trips on SLE commuter rail. Other key statistics are: 37.01 unlinked passenger trips per vehicle revenue hour, $22.26 operating expense per passenger trip, $3.11 fare revenue per passenger trip, and 14% fare recovery.

[23] *http://www.shorelineeast.com/whatsnew.htm*



Source: http://www.shorelineeast.com/whatsnew.htm

Shore Line East
Connecticut Department of Transportation
Connecticut

Tri-Rail

South Florida Regional Transportation Authority, Florida

T-rail.com

The Tri-County Regional Transportation Authority was originally created to manage the development and operation of a temporary commuter rail line to provide a relief to the I-95 corridor during its five-year reconstruction.

The South Florida Regional Transit Authority (SFRTA) was created by the Florida Legislature in 2003, evolving from the Tri-County Regional Transportation Authority. SFRTA is charged with developing and implementing regional transportation solutions in south Florida.

Governance

The SFRTA is governed by a board that reflects the diverse interests of the regions. Each member county (Miami-Dade, Broward, and Palm) appoints one commissioner and one resident to represent the county. The governor appoints two board members and the Florida Department of Transportation appoints one board member.

Funding

The three member counties each are required to provide funding support to the SFRTA. The funding includes providing a minimum of $4.23 million per year from each county to support operation of Tri-Rail and directing state-authorized local use funds (excise tax on motor fuels) to support capital development of SFRTA. The State of Florida matches the counties' contributions for operation and provides discretionary funding support for capital.

SFRTA Operating Revenues, FY 2006-07

Source	Amount in millions
Train Revenues (fares, interest)	$8.031
FTA (Preventive Maintenance, Planning)	$13.428
Three Member Counties	$13.101
Florida DOT Match	$13.101
FHWA	$4.000
Florida DOT Discretionary	$6.173
Other Misc.	$0.724
TOTAL	$58.558

SFRTA New Capital Revenues, FY 2006-07

Source	Amount in millions
FTA 5307 Formula	$8.404
FTA 5309	$11.295
FHWA STP Funds (Broward, Palm Beach)	$7.875
Florida DOT Discretionary	$2.625
County Contribution (Fuel Excise Tax)	$8.010
TOTAL	$38.209

The SFRTA has been working to develop operating funding independent from the three counties. In 2005, the SFRTA Board recommended legislative approval of a $2 per day surcharge on rental cars. The state legislature passed this measure, but it was vetoed by the governor. In 2006, the SFRTA returned to the Legislature with another list of options to support funding including increases in title fees, gas tax fees, rental car surcharges and annual auto registration fee surcharges. None survived the Legislature.

The State of Florida offers special discretionary funding programs, including the Strategic Intermodal System (SIS) program (for which Tri-Rail is already qualified) created in 2005.

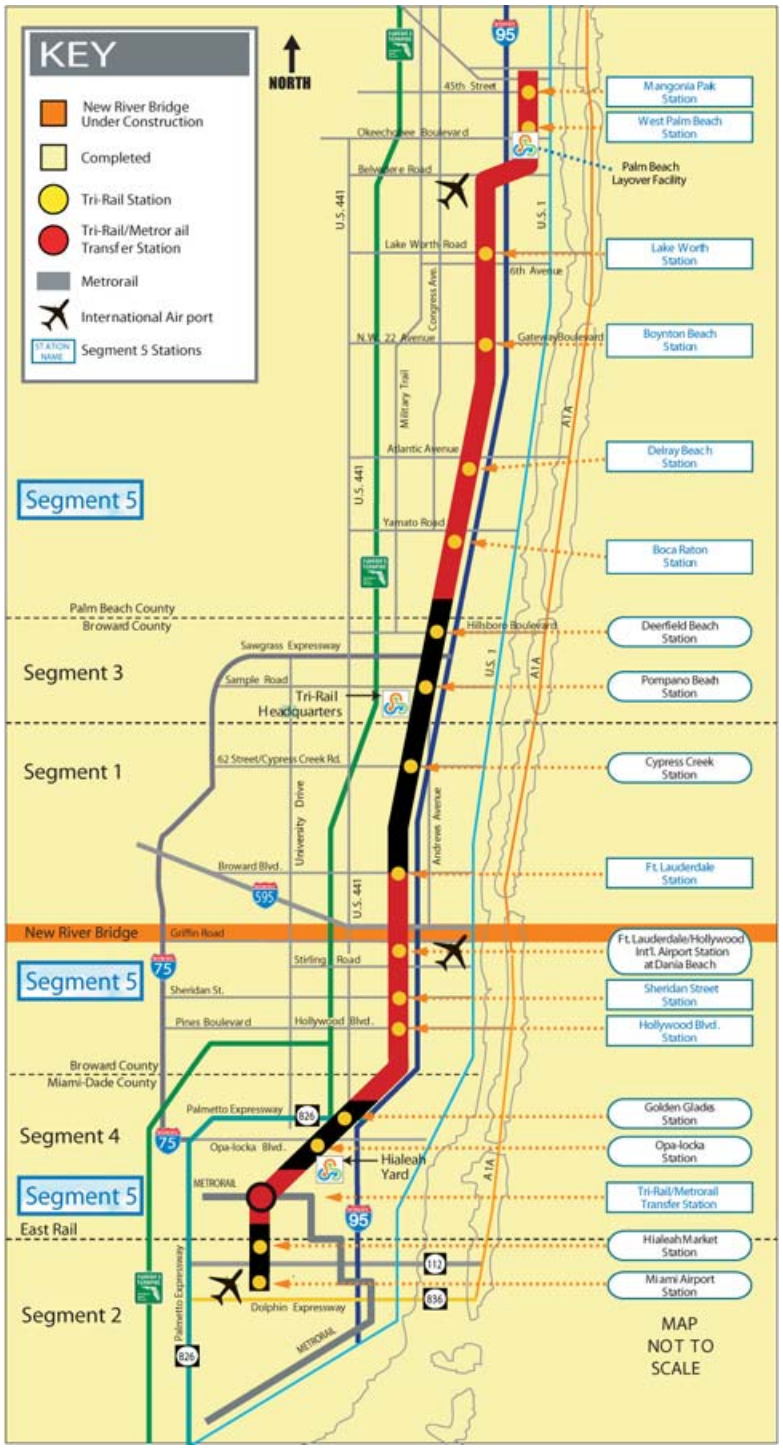
SFRTA has two key foci today. First, the SFRTA is concentrating resources on improvements to the current Tri-Rail line, including track upgrades and technology systems, to support increased levels of service. Second, the SFRTA is embarking on planning activity for additional regional transit corridors.

The current regional plan is a sketch plan featuring both north-south and east-west lines. The SFRTA has presented three variations on the plan, based upon levels of rail and bus service. In public meetings throughout the region, the SFRTA has identified the following possible sources for local funding:

- Sales tax
- Title fees
- Registration fees
- Fees from users of Managed Lanes
- Fuel tax
- Rental car tax

NTD 2006

In fiscal 2006, there were 2.7 million annual unlinked passenger trips on Tri-Rail. Other key statistics are: 44.6 unlinked passenger trips per vehicle revenue hour, $12.54 operating expense per passenger trip, $2.21 fare revenue per passenger trip, and 18% fare recovery.



Source: http://www.tri-rail.com/

Tri-Rail
South Florida Regional Transportation Authority
Miami-Dade/Broward/Palm Beach, Florida

Metra

Northeast Illinois Regional Commuter Railroad Corporation, Chicago, Illinois

www.metrarail.com

The Regional Transportation Authority (RTA) is a local government and municipal corporation of the State of Illinois that provides funding, planning, and fiscal oversight for regional bus and rail operations for six counties in northeastern Illinois: McHenry, Lake, Kane, Cook, DuPage, and Will counties. Three entities, the Chicago Transit Authority (CTA), Northeast Illinois Regional Commuter Railroad Corporation (Metra), and Pace Suburban Bus Division ("service boards"), operate the rail and bus systems overseen by the RTA.

Metra is the commuter rail division of the RTA and provides commuter rail service connecting downtown Chicago with 68 other Chicago locations and 100 suburban communities. The Metra rail system is comprised of 11 lines providing service to and from the city of Chicago and more than 100 suburban communities at 239 stations. The network itself is made up of more than 1,100 pieces of rolling stock, 800 bridges, more than 2,000 signals, 16 rail storage yards, and six major maintenance facilities. Geographically, the Metra system is the largest in the U.S.; and its operational interface with an extensive freight network makes it arguably the nation's most complex.

Governance

The corporate authority and governing body of the RTA is the 13-member RTA Board of Directors. Twelve directors are appointed from within the six-county region. The three service boards operate independently and are governed by their own boards of directors. Each of the three service boards operates independently and is governed by its own board.

The RTA develops and allocates resources among the service boards. The RTA also oversees and approves the service boards' annual budgets and five-year capital programs, while ensuring that these budgets meet the 50 percent recovery through system-generated revenues (fares, advertising and concessions) mandated in the RTA Act.

Funding

Sales tax is the primary source of RTA revenue. The tax is authorized by Illinois statute and levied by the RTA in the six-county northeastern Illinois region. The sales tax rates are 1% in Cook County and 0.25% in the counties of DuPage, Kane, Lake, McHenry and Will.

Since its formation in 1984, Metra has overseen a comprehensive program to improve and grow the regional commuter rail network in support of the twin objectives of core system maintenance and strategic service expansion. Metra has expended more than $5 billion to overhaul and modernize the system and to create a cyclical program of preventive maintenance and renewal.

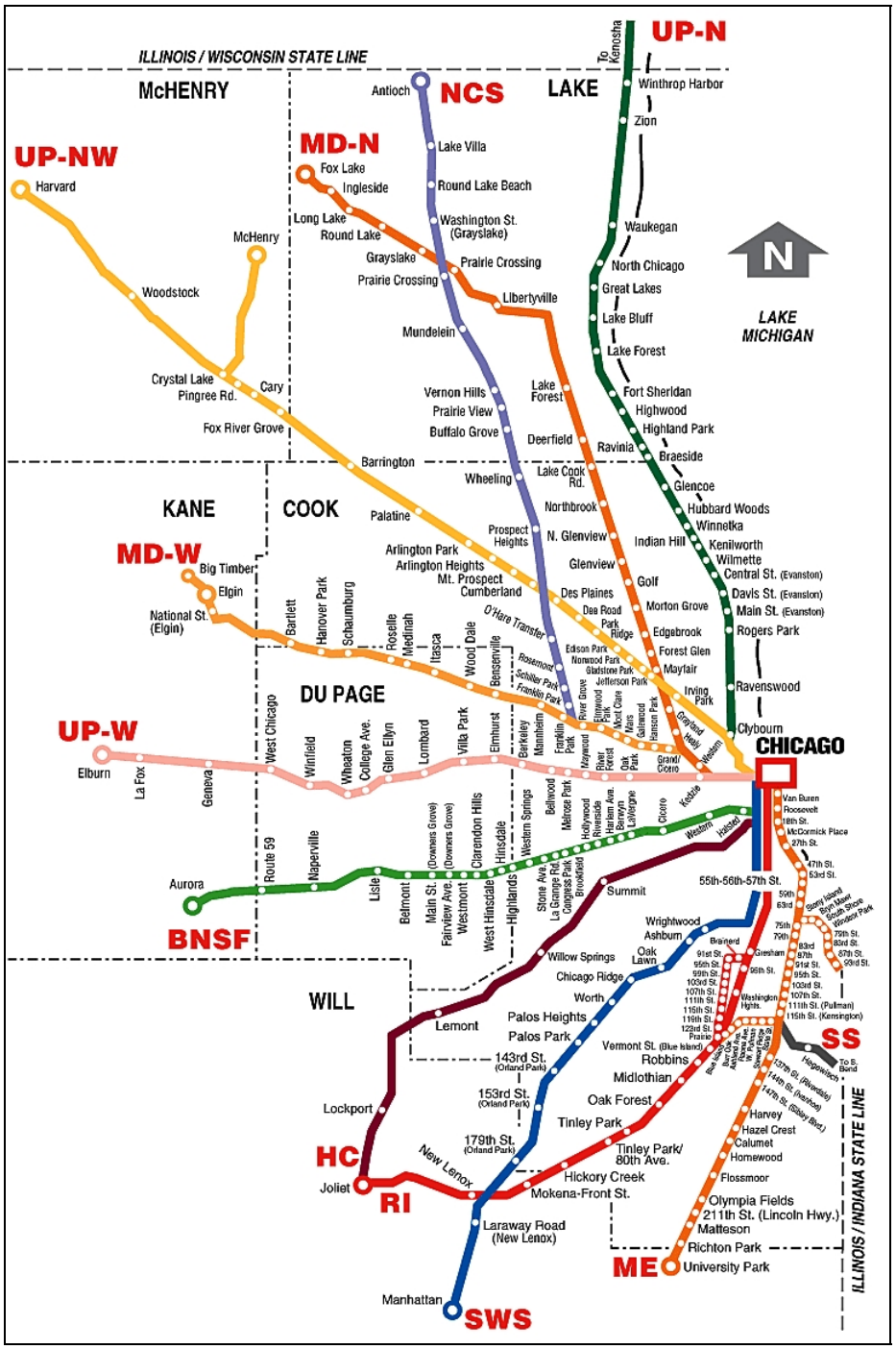
Metra resources, sales tax receipts and farebox revenues have not kept pace with overall expense growth, especially given the extraordinary increase in cost for fuel, electrical power, security, and insurance. Metra has experienced continuing shortfalls in funding for its operations since 2005, and over the five year period, 2008-2012, Metra will face a $396 million gap in operating expenses without new funding.

To date, Metra has bridged these shortages through a variety of cost containment strategies and by shifting certain capital resources to operations. Over the past three years, Metra has diverted $134.7 million in capital funding to cover operating expenses.

In November 2008 voters approved additional 0.25% sales tax authorization in the RTA region. The additional sales tax is dedicated to transit in Cook County and may be used for local transportation including transit in the remaining counties.

NTD 2006

In fiscal 2006, there were 72.1 million annual unlinked passenger trips on Metra. Other key statistics are: 54.32 unlinked passenger trips per vehicle revenue hour, $6.55 operating expense per passenger trip, $2.97 fare revenue per passenger trip, and 45% fare recovery.



Source: http://www.metrarail.com/

Metra
Northeast Illinois Regional Railroad Corporation
Chicago, Illinois

South Shore Line
Northern Indiana Commuter Transportation District, South Bend, Indiana
www.nictd.com

The South Shore Line is an electrically powered interurban commuter passenger rail line operated by the Northern Indiana Commuter Transportation District (NICTD) between Millennium Station in downtown Chicago and the South Bend Regional Airport in South Bend, Indiana. The NICTD is one of the few surviving interurban streetcar lines in the U.S., with only the Norristown High Speed Line and Suburban Trolley Lines in the Philadelphia, area in the same category.

Governance

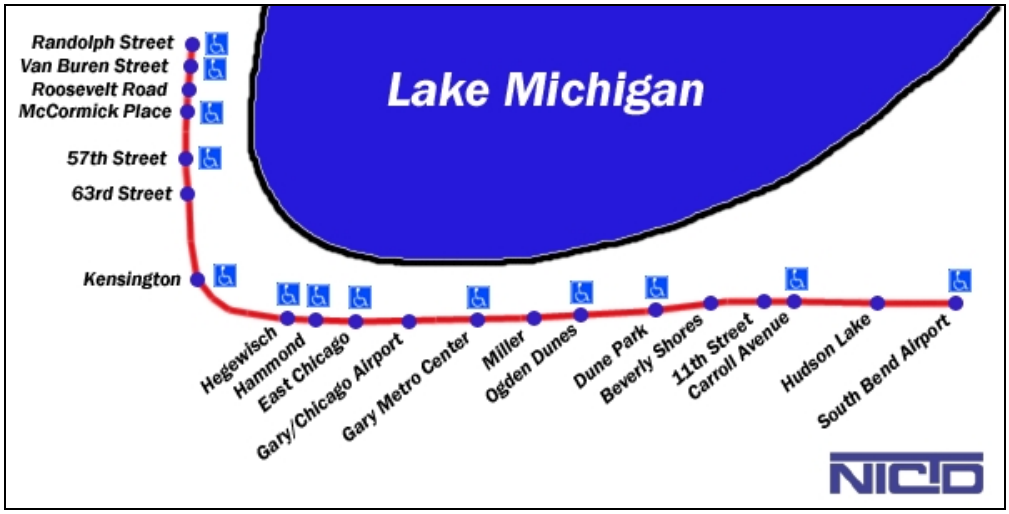
The NICTD is governed by an 11 member Board of Trustees representing the four Indiana counties served by the South Shore Line as well as three representatives appointed by the Governor of Indiana.

Funding

Local funding sponsors include NICTD member counties and RTA, Chicago. State funds are provided by Indiana from the 0.14% general sales and use tax.

NTD 2006

In fiscal 2006, there were 4.2 million annual unlinked passenger trips on the South Shore Line. Other key statistics are: 44.85 unlinked passenger trips per vehicle revenue hour, $7.91 operating expense per passenger trip, $4.26 fare revenue per passenger trip, and 54% fare recovery.



Northern Indiana Commuter Transportation District
South Bend, Indiana to Chicago, Illinois

MARC Commuter Rail

Maryland Transit Administration MARC, Baltimore, Maryland

www.mtamaryland.com

The Maryland Transit Administration (MTA) operates local and commuter buses, Metro subway, light rail, commuter rail (MARC), and a comprehensive paratransit (Mobility) system.

MARC offers service on the Brunswick Line from as far west as Martinsburg, West Virginia and Frederick, Maryland to Union Station, Washington, D.C., and from Perryville in northeastern Maryland on the Penn Line to Baltimore and D.C., as well as service on the Camden Line from Baltimore to Washington. MTA contracts with Amtrak and CSX to operate the MARC train service.

The commuter rail passenger service called MARC, has actually operated since the 1830s on the Camden Line, and since the mid to late 1800s on the Penn and Brunswick Lines. The service operated by CSX was formerly the Baltimore and Ohio Railroad's (B&O) local train service (Camden and Brunswick lines). The Penn Line service was the local train service of the Pennsylvania Railroad and later, Penn Central, then known as Conrail.

In 1974, B&O Railroad approached the State of Maryland, indicating that the local trains were unprofitable, and would have to be discontinued unless a subsidy could be provided. The Maryland Department of Transportation agreed to provide a partial subsidy of the deficit in 1974, and in 1975, this evolved into an operating agreement with the B&O, where the State agreed to pay the total operating deficit for the trains and provide the rolling stock (cars and locomotives).

In 1976, the department of transportation entered into a similar agreement with Conrail, which had responsibility for local passenger train operations in the Northeast Corridor (New York to Washington) after the bankruptcy of Penn Central and other Northeast railroads. In that same year, the Maryland State Railroad Administration was established by Executive Order of the Governor, to oversee these railroad contracts, to procure the needed rolling stock, to apply for and manage federal funding for the commuter rail service, and to administer a state funded subsidy program for short line freight rail operations, primarily on the Eastern Shore and Western Maryland.

In 1982, Congress relieved Conrail of the responsibility to operate local passenger rail service, and in 1983, the State entered into an operating agreement with Amtrak to continue this service (now referred to as the Penn Line). In 1983, the State Railroad Administration conducted a marketing study, which resulted in the creation of the name and logotype of MARC (an acronym for Maryland Rail Commuter), to use as a unifying tool for marketing the service where, at that time, train crews wore either B&O or Amtrak uniforms, checks were made out to the railroads, and some of the rail cars in use were leased from New Jersey Transit. In 1992, the former State Railroad Administration was merged with the Mass Transit Administration, which now oversees the operation of MARC Train Service.

Governance

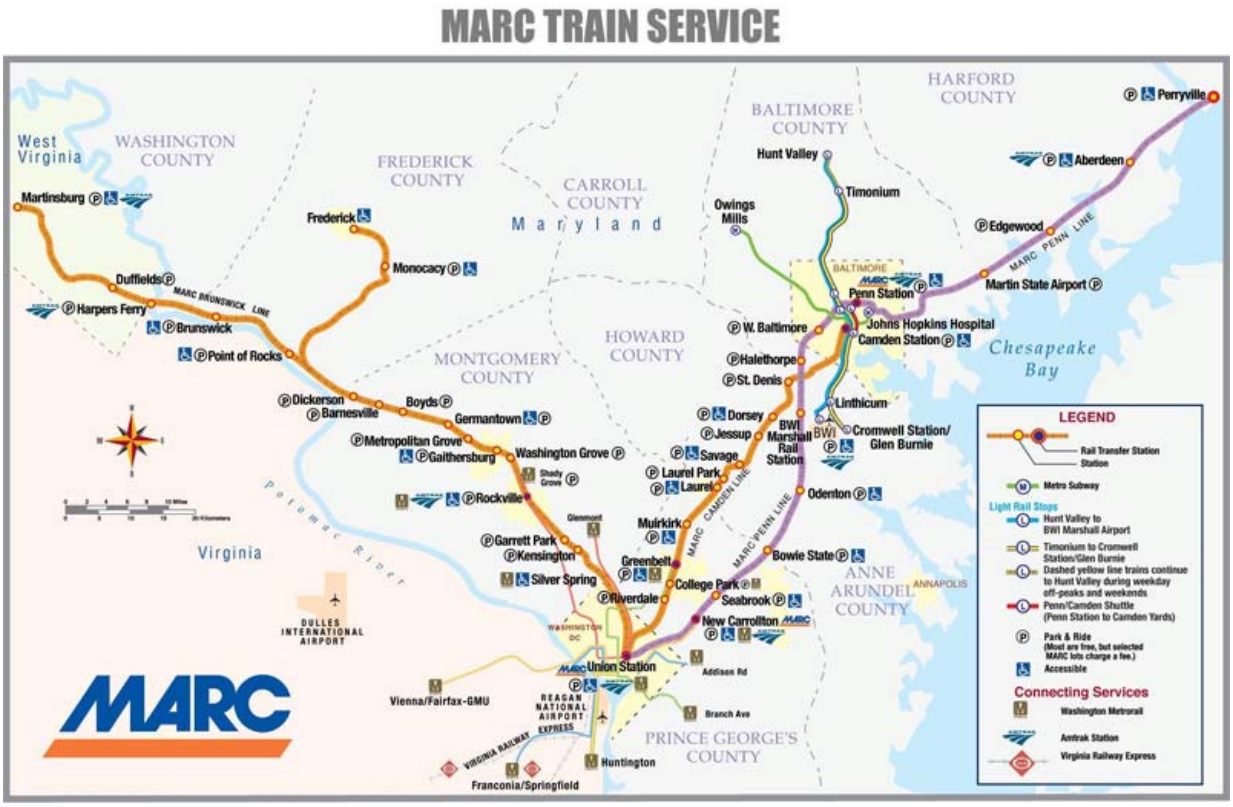
MARC is a transit mode provided by the MTA, the Maryland state transit agency.

Funding

Funds for the MTA are provided from the Transportation Trust Fund which is originally sourced from the state gas tax, vehicle sales tax, vehicle registration fees and license fees, bond proceeds, and the state's corporate income tax.

NTD 2006

In fiscal 2006, there were 7.3 million annual unlinked passenger trips on the MARC commuter rail. Other key statistics are: 57.62 unlinked passenger trips per vehicle revenue hour, $10.00 operating expense per passenger trip, $4.14 fare revenue per passenger trip, and 41% fare recovery.



Source: http://www.mtamaryland.com/services/marc/

MARC
Maryland Transit Administration
Baltimore, Maryland

MBTA Commuter Rail

Massachusetts Bay Transportation Authority (MBTA), Boston, Massachusetts

www.mbta.com

The Massachusetts Bay Transportation Authority (MBTA) commuter rail system is a regional rail network that shares its tracks with freight trains. The commuter rail system has used the color purple on train cars and system maps since October 8, 1974, and consequently it is sometimes called the "Purple Line."

In 2007 there were 12 lines, three of which have branches, and another branch provides access to Gillette Stadium for events. Eight of the lines converge at South Station, with four of these passing through Back Bay station. The other four converge at North Station. Amtrak uses two of the south-side lines and one of the north-side lines for long-distance intercity service.

There is no passenger connection between the two sides, although there have been proposals to fix this with the North-South Rail Link. The opportunity for such a connection, in association with the burying of the Central Artery in the Big Dig was passed over. Passengers must take the MBTA Orange Line between Back Bay and North Station, the Red and Orange Lines between South and North Stations, or take a bus or taxicab.

A south-side commuter rail line, the Greenbush Line opened for commuting October 2007; a south-side branch to Fall River and New Bedford is in the planning stages. Track exists to extend the Middleborough/Lakeville Line to restore passenger service to Cape Cod, formerly part of the Old Colony Railroad lines.

Governance

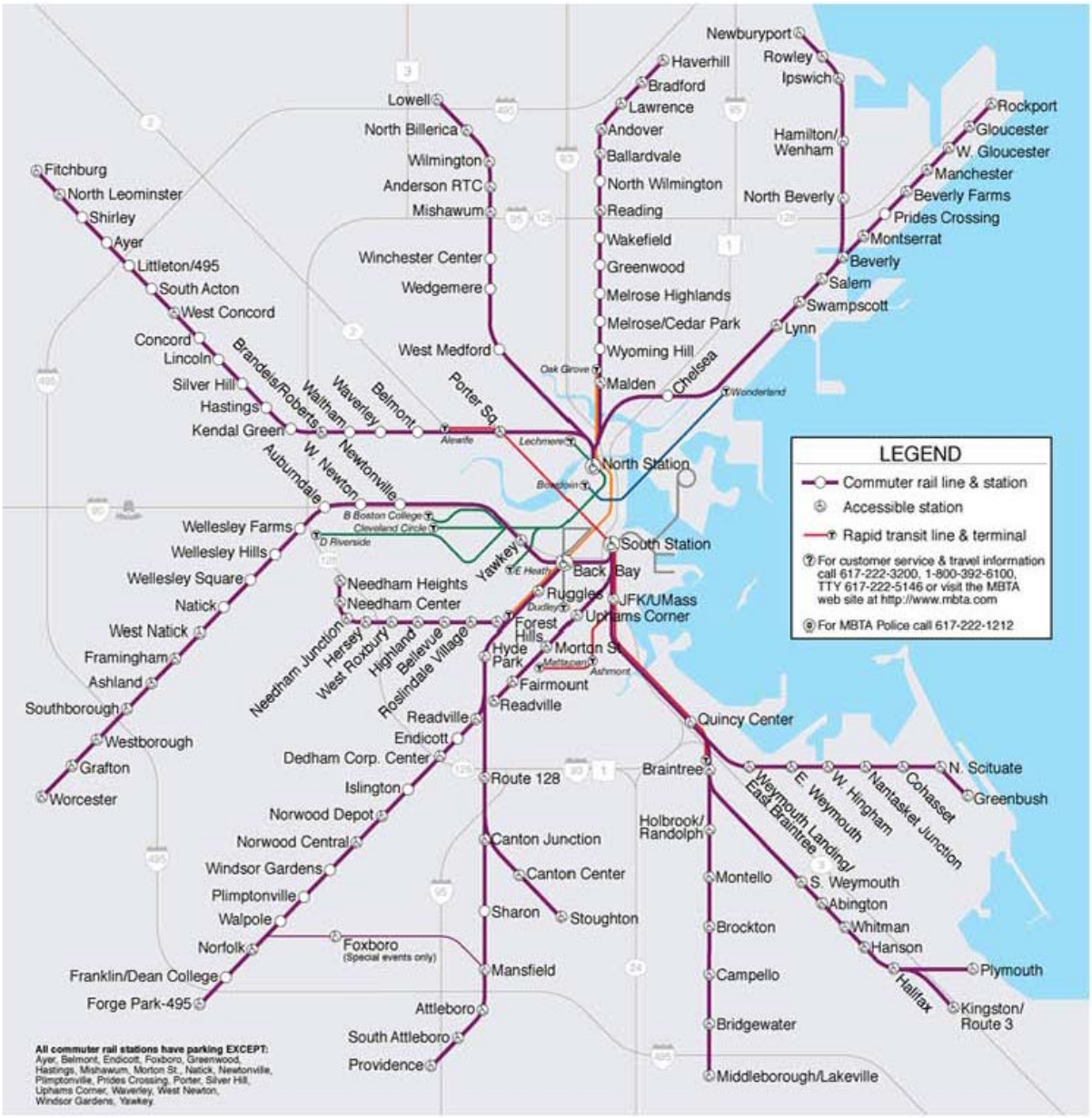
The commuter rail is a transit mode provided by the MBTA, the Massachusetts state transit agency.

Funding

Funds for the MBTA are provided from dedicated assessments on 175 cities and counties in the MBTA service area, utility reimbursements for sale of electricity to vendors that lease space at MBTA property, and income from real estate transit operations (parking, tenants). State funds are from the dedicated sales tax equal to 20% of the revenues generated from the statewide sales tax (5%), local government assessments. and other state sources derived from a variety of sources including the general fund, the highway fund, revenue bonds and the State Infrastructure Fund.

NTD 2006

In fiscal 2006, there were 37.8 million annual unlinked passenger trips on commuter rail, which was 9.9% of the MBTA system ridership. Other key statistics are: 53.11 unlinked passenger trips per vehicle revenue hour, $5.82 operating expense per passenger trip, $2.76 fare revenue per passenger trip, and 47% fare recovery.



Source: http://www.mbta.com/schedules_and_maps/rail/

MBTA Commuter Rail
Massachusetts Bay Transportation Authority
Boston, Massachusetts

NJ Transit Commuter Rail

New Jersey Transit (NJ Transit), New Jersey-New York

www.njtransit.com

NJ Transit operates the state's commuter rail network. The rail system features 11 lines in three divisions.

The three rail divisions are:

- The Hoboken Division includes the Midtown Direct service on the Morris & Essex; Montclair-Boonton lines to and from Penn Station New York; and lines operating to and from Hoboken Terminal on the Morris & Essex, Main/Bergen, Pascack Valley and Montclair-Boonton lines.
- The Newark Division includes the Northeast Corridor; North Jersey Coast; and Raritan Valley lines operating to and from Newark Penn Station, Hoboken Terminal, and Penn Station New York.
- The Atlantic City Rail Line operates between the seaside resort city and Philadelphia, serving points in between.

Customers can transfer between all lines, except Atlantic City Rail Line, at the new Secaucus Junction station. The Raritan Valley Line requires an additional transfer at Newark Penn Station. NJ Transit also runs rail service to and from points in New York State on the Pascack Valley and Port Jervis lines under contract with the New York Metropolitan Transportation Authority (NYMTA).

NJ Transit's rail network provides links to the region's other transit systems. Transfers to the state's bus system are possible at many rail stations.[24]

- Penn Station New York, connections are available to Amtrak, the Long Island Railroad, and the New York City subway system.
- Trenton, riders can connect to SEPTA and Amtrak.
- NJ Transit's Hoboken Terminal provides transfers to PATH trains between Hoboken, Jersey City, Newark, and midtown Manhattan; to Manhattan-bound ferry service; and to NJ Transit's Hudson-Bergen Light Rail System.
- Newark Broad Street Station, connections are available to Newark Light Rail.
- Newark Penn Station, the state's busiest transit hub, connections to Amtrak, PATH and NJ Transit's Newark Light Rail are available. PATH can be used to connect with NJ Transit's Hudson-Bergen Light Rail System.
- On South Jersey's Atlantic City Rail Line, connections can be made to Amtrak and SEPTA at Philadelphia's 30th Street Station.

[24] *http://www.njtransit.com/sf/sf_servlet.srv?hdnPageAction=TrainTo*

Governance

The commuter rail is a transit mode provided by the NJ Transit, the New Jersey state transit agency.

Funding

Funds for NJ Transit are from the State Transportation Trust Fund (TTF) and state general fund appropriation. In 2006, the TTF was supported from bond proceeds, motor fuel tax, vehicle sales tax, petroleum gross receipts tax, and interest income.

NTD 2006

In fiscal 2006, there were 75.4 million annual unlinked passenger trips on NJ Transit commuter rail. Other key statistics are: 37.87 unlinked passenger trips per vehicle revenue hour, $9.09 operating expense per passenger trip, $4.66 fare revenue per passenger trip, and 51% fare recovery.

Source: http://www.njtransit.com/sf/sf_servlet.srv?hdnPageAction=TrainTo

NJ Transit Commuter Rail
New Jersey Transit
New York - New Jersey

NYMTA Long Island Rail Road (LIRR), New York

www.mta.info/lirr

The NYMTA is a public benefit corporation of the State of New York. The NYMTA has the responsibility for developing and implementing a unified mass transportation policy for the City of New York and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties (transportation district or "Downstate"). The NYMTA carries out these responsibilities directly and through its subsidiaries and affiliates. NYMTA operates commuter rail services in the transportation district through its subsidiaries, LIRR and Metro-North Commuter Railroad Company (Metro-North).

The LIRR system is comprised of over 700 miles of track on 11 different branches, stretching from Montauk – on the eastern tip of Long Island – to the refurbished Penn Station in the heart of Manhattan, approximately 120 miles away. Along the way, the LIRR serves 124 stations in Nassau, Suffolk, Queens, Brooklyn and Manhattan, providing service for some 82 million customers each year, taking them to and from jobs, homes, schools, sporting events, concerts, beaches, Broadway shows, and the multitude of other attractions around the New York metropolitan region.

Source: http://www.mta.info/lirr/

NYMTA Long Island Rail Road (LIRR)
Metropolitan Transit Authority
New York, NY

Nearly 500 of the railroad's daily trains originate or terminate at Penn Station in Manhattan. Most of the remainder originate or terminate at Flatbush Avenue in Brooklyn, with a number of others originating or terminating at Hunterspoint Avenue and Long Island City in Queens. All of these terminals provide connections to NYMTA New York City Transit subway service. All but one of the 11 branches pass through the important Jamaica hub, where customers may change trains to connect for other branches or terminals. Third-rail electric service is offered on the lines to Port Washington, Ronkonkoma, Babylon, Hempstead, Huntington, West Hempstead, Long Beach and Far Rockaway, and diesel service is provided on the lines to Oyster Bay, Port Jefferson, Montauk and Greenport.

The LIRR operates 24-hours-a-day, 7-days-a-week, including all holidays, with service intervals varying by destination and time of day.

Governance

As mentioned above, NYMTA operates commuter rail services in the transportation district through its subsidiaries, LIRR and Metro-North. Although the chairman and members of the NYMTA, by statute, are also the chairman and members of the subsidiaries and affiliates, these agencies have their own management structures that are responsible for its day-to-day operations. The day-to-day operation of each of the commuter rail services is overseen by its president, who serves as its chief operating officer.

Through the LIRR, the NYMTA directly operates commuter rail service between New York City and Long Island and within Long Island. The LIRR was incorporated as a privately-held railroad company in 1834. In 1966, the NYMTA acquired all of the capital stock of the LIRR from its parent, the Pennsylvania Railroad Company. In February 1980, the LIRR's Certificate of Incorporation was amended to convert the LIRR into a subsidiary public Benefit Corporation of the NYMTA organized pursuant to the MTA Act. The LIRR owns, leases or has easements or other rights to the rolling stock, physical plant and equipment material to its operations.

Funding

LIRR financials are reported as part of the NYMTA System. Sources of local funds include toll revenues from the NYMTA Bridges and Tunnels division. The mortgage recording tax is the source of the State of New York contribution to the Suburban Transportation Fund to provide operating assistance to the NYMTA commuter railroads.

NTD 2006

In fiscal 2006, there were 99.5 million annual unlinked passenger trips on LIRR. Other key statistics are: 48.77 unlinked passenger trips per vehicle revenue hour, $9.80 operating expense per passenger trip, $4.59 fare revenue per passenger trip, and 47% fare recovery.

NYMTA Metro-North Railroad (Metro North), New York

www.mta.info/mnr

NYMTA is a public benefit corporation of the State of New York. The NYMTA has the responsibility for developing and implementing a unified mass transportation policy for the City of New York and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties (Transportation District or "Downstate"). The NYMTA carries out these responsibilities directly and through its subsidiaries and affiliates. NYMTA operates commuter rail services in the transportation district through its subsidiaries, Metro-North, and the Long Island Rail Road (LIRR).

Three main lines east of the Hudson River – the Hudson, the Harlem, and the New Haven – operate out of Grand Central Terminal in New York City. Two lines west of the Hudson River – the Port Jervis and the Pascack Valley – operate out of New Jersey Transit's terminal in Hoboken, N.J., and connect with service out of Penn Station, NY via the Secaucus Transfer.

- Hudson Line extends 74 miles from Grand Central Terminal to Poughkeepsie.
- Harlem Line extends 82 miles to Wassaic.
- New Haven Line, which also has three branch lines – the New Canaan, Danbury, and Waterbury – extends 72 miles to New Haven.
- Port Jervis Line runs 95 miles from Hoboken to Port Jervis, with 30 of those miles in New Jersey.
- Pascack Valley Line extends 31 miles from Hoboken to Spring Valley, 25 of those miles being in New Jersey.

Total square mileage of the service territory is approximately 2,701 miles.

The railroad also manages The Hudson Rail Link feeder bus service in the Bronx, and the Haverstraw-Ossining and Newburgh-Beacon ferries, all of which connect with the Hudson Line.

Average weekday ridership is 270,000. Roughly 49% of the railroad's ridership is comprised of commuters to Manhattan. (This represents an 80 percent share of that market.) The remaining 51% of its customers are reverse commuting out of New York to suburban employment centers, traveling during off-peak hours, or taking day trips in the region without ever setting foot in Grand Central Terminal.

The railroad's hours of operation are approximately 4:00 AM to 3:40 AM. Service intervals vary according to destination and time of day. First trains arrive in Grand Central at 5:30 AM and the last trains leave the terminal at 2:00 AM. Weekdays, peak-period trains east of the Hudson River run every 20-30 minutes; off-peak trains run every 30-60 minutes; and weekends hourly.

Governance

As mentioned above, NYMTA operates commuter rail services in the transportation district

through its subsidiaries, Metro-North and LIRR. Although the chairman and members of the NYMTA, by statute, are also the chairman and members of the subsidiaries and affiliates, these agencies have their own management structures that are responsible for its day-to-day operations. The day-to-day operation of each of the commuter rail services is overseen by its president, who serves as its chief operating officer.

Metro-North was incorporated by the NYMTA on September 22, 1982 as a subsidiary public benefit corporation. The NYMTA or the Metro-North owns, leases or has easements or other rights to the rolling stock, physical plant and equipment material to the operation of the Harlem and Hudson Lines, and to the physical plant and equipment material to the operation of the State portion of the New Haven Line. The NYMTA or the Metro-North owns approximately 48 percent of the rolling stock used on the New Haven Line, and Connecticut Department of Transportation (ConnDOT) owns the remaining. The New Haven Line is operated by Metro-North pursuant to the terms of an Amended and Restated Service Agreement (ASA) dated as of June 21, 1985, among the State of Connecticut, Connecticut Department of Transportation, and NYMTA and Metro-North.

Funding

Metro-North financials are reported as part of the NYMTA System. Sources of local funds include toll revenues from the NYMTA Bridges and Tunnels division. The mortgage recording tax is the source of the State of New York contribution to the Suburban Transportation Fund to provide operating assistance to the NYMTA commuter railroads. Subsidy is also provided by the State of Connecticut.

NTD 2006

In fiscal 2006, there were 76.5 million annual unlinked passenger trips on Metro-North. Other key statistics are: 48.96 unlinked passenger trips per vehicle revenue hour, $9.79 operating expense per passenger trip, $5.94 fare revenue per passenger trip, and 61% fare recovery.

Source: http://www.mta.info/mnr/index.html

NYMTA Metro-North Commuter Railroad Company (Metro-North)
Metropolitan Transit Authority
New York, NY

SEPTA Regional Rail

Southeastern Pennsylvania Transportation Authority (SEPTA), Philadelphia, Pennsylvania

www.septa.org

SEPTA is a multi-modal transit system that provides a vast network of fixed-route services including bus, subway, subway-elevated, regional rail, light rail, and trackless trolley and bus routes for a five county area: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties. The SEPTA system generates over 1 million passenger trips per day.

SEPTA acquired over the years the assets of several private transportation operators to form four operating divisions. Although the revenue and costs are logically accounted for separately, the operating and staff departments exist in a matrix structure and function as a cohesive unit beneath the following four broad operating divisions:

- City Transit Division – SEPTA acquired the assets of the former Philadelphia Transportation Company inn 1968 forming the current City Transit Division. The City Transit Division primarily services the City of Philadelphia and operates 72 bus routes, 6 light-rail lines and two subway-elevated lines.

- Victory Division – The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware and Montgomery Counties. Also known colloquially as the Red Arrow Division, the Victory Division is comprised of 22 bus routes, two trolley lines and the Norristown High Speed Line.

- Frontier Division – The Frontier Division consists of 21 bus routes serving Bucks and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

- Regional Rail Division – The Regional Rail Division serves the City of Philadelphia, as well as Bucks, Chester, Delaware and Montgomery Counties, with service to Newark, Delaware and Trenton and West Trenton, New Jersey. The infrastructure and assets of the Regional Rail Division were previously operated by the Pennsylvania and Reading Railroads. These *commuter rail lines* were operated by Conrail from 1976 through 1982, and acquired by SEPTA in 1983.

Governance

The Pennsylvania General Assembly established SEPTA on February 18, 1964, to provide public transit services for a five county area: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties. The Authority is an instrumentality of the Commonwealth of Pennsylvania, created by the State Legislature. SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware and Montgomery each appoint two

members to the Board. The Pennsylvania Senate and House collectively appoint four members, and the Governor of Pennsylvania appoints one representative.

Funding

SEPTA's fiscal year 2008 operating and capital budget and revenue sources for all transit modes are illustrated in the table below. Note the percentage of state funding through the Pennsylvania Public Transportation Trust Fund. The sources of funding for the Trust Fund are: general sales tax, lottery revenue, bond proceeds, vehicle lease tax, rental car surcharge, tire tax, and toll revenues from the Pennsylvania Turnpike Commission.

SEPTA FY2008 Operating and Capital Budget and Revenue Sources

Amounts in millions		FY2008 Budget	% of Total Expenses
OPERATING			
Total Operating Expenses	**$**	**1,022**	
Operating Revenue			
Passenger Revenue	$	374	37%
Shared Ride Program	$	19	2%
Investment Income	$	6	3%
Other Income	$	27	3%
Total Operating Revenue	**$**	**425**	**42%**
Operating Subsidy			
Federal	$	32	3%
PA Public Transportation Trust Fund	$	496	49%
Local	$	66	6%
Other	$	3	0%
Total Subsidy	**$**	**597**	**58%**
Total Revenue and Subsidy	**$**	**1,022**	
CAPITAL			
Total Capital Expenses	**$**	**426**	
Federal			
Federal Formula (5307,5340,5309)	$	144.1	34%
Federal Earmarks	$	7.7	2%
FHWA Flex	$	22.4	5%
Homeland Security	$	10.0	2%
	$	**184.2**	**43%**
New Starts	**$**	**31.2**	**7%**
State			
PA Public Transportation Trust Fund	**$**	**200.5**	**47%**
Local			
Local Match	**$**	**10.2**	**2%**
Total Capital Revenues	**$**	**426**	

NTD 2006

In fiscal 2006, there were 34.2 million annual unlinked passenger trips on SEPTA commuter rail lines. Other key statistics for the commuter rail mode are: 57.5 unlinked passenger trips per vehicle revenue hour, $5.33 operating expense per passenger trip, $2.84 fare revenue per passenger trip, and 53% fare recovery.

http://www.septa.com/service/rr_schedules.html

SEPTA Regional Rail
Southeastern Pennsylvania Transportation Authority
Philadelphia, Pennsylvania

Keystone Line

Pennsylvania Department of Transportation, Harrisburg, PA

www.dot.state.pa.us/

The Keystone Line runs between New York City and Harrisburg by way of Philadelphia. The commuter rail service on the Keystone Line operates in the "Keystone Corridor," a Federal Railroad Administration (FRA) designated high speed corridor (349-mile railroad line between Philadelphia and Pittsburgh).

Governance

Keystone Line service is provided by Amtrak, under contract to the Pennsylvania Department of Transportation.

Funding

State of Pennsylvania funds provide for operating expense not covered by fares and local match for federal grants for capital projects.

NTD 2006

In fiscal 2006, there were 275,000 annual unlinked passenger trips on the Keystone Line. Other key statistics are: 18.8 unlinked passenger trips per vehicle revenue hour, $34.95 operating expense per passenger trip, $10.89 fare revenue per passenger trip, and 31% fare recovery.

Keystone Line
Pennsylvania Department of Transportation
Harrisburg, Pennsylvania

Trinity Railway Express (TRE)
Dallas Area Rapid Transit (DART) and Fort Worth Transportation Authority, Texas
www.trinityrailwayexpress.org

The Trinity Railway Express (TRE) opened on December 30, 1996, for 10 miles of the route from Dallas to Irving. Service was extended to Richland Hills in September 2000. The route was completed in December 2001 when service was extended to downtown Fort Worth.

The TRE alignment runs from the T&P Station in Fort Worth to Union Station in Dallas. The alignment is 33 miles with nine stations and one special event stop. From end to end the travel time is 65 minutes with an average speed of 37 mph.

The table shows the percent of AM eastbound boardings and alightings, by stop, to illustrate where passengers are boarding the train and the most popular destinations. The service is bi-directional but about 80 percent of ridership is eastbound in the AM (to Dallas) and westbound in the PM (to Fort Worth). The TRE operates Monday through Saturday.

Trinity Railway Express
Station Boardings, Alightings (AM Eastbound)

Station	Boardings	Alightings	Station Information
T&P Station	20%		Downtown, Fort Worth Convention Center, the Fort Worth Water Gardens, Sundance Square and Tarrant County government facilities, parking.
Forth Worth ITC	10%		Similar stops to T&P Station.
Richland Hills	23%	1%	Richland Hills, North Hills Mall, North East Mall and bus service to the UT at Arlington's Fort Worth campus, parking
Hurst/Bell	13%	1%	Bell Helicopter Textron, residential, parking.
CentrePort/DFW Airport	15%	7%	CentrePort Business Park, American Airlines HQ, DFW Airport, parking.
West Irving	7%	1%	Irving Mall, residential, parking.
South Irving	12%	2%	Downtown Irving, including the Irving Heritage District, Irving Civic Center, residential, parking.
Medical/Market Center		23%	Dallas Market Hall, medical center
Victory Station			Events at American Airlines Center
Union Station		65%	Downtown, other transit, Reunion Tower, Reunion Arena
	100%	100%	

TRE schedule frequency is approximately every 23-25 minutes each way during peak periods and every 40-60 minutes off-peak, Monday through Friday. Saturday service has 11 trains in both directions, approximately one and one-half hours apart. Average daily boardings reported by TRE for 2008 were 8,900.

Governance

Trinity Railway Express is a commuter rail service provided jointly by Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority (the T).

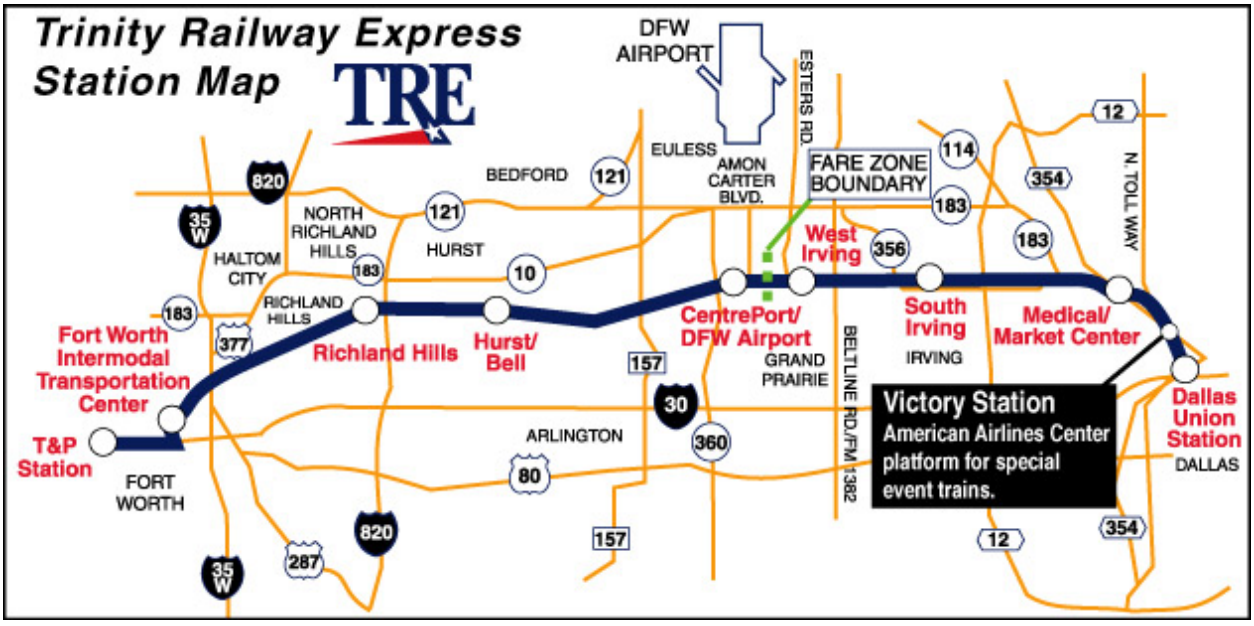
Funding

DART and the T sales tax revenues provide for operating expenses not covered by fares and local share to match federal grants for capital projects.

NTD 2006

DART - In fiscal 2006, DART reported 1.5 million annual unlinked passenger trips on the TRE. Other key statistics are: 57.18 unlinked passenger trips per vehicle revenue hour, $14.44 operating expense per passenger trip, $0.83 fare revenue per passenger trip, and 6% fare recovery.

The T - In fiscal 2006, the T reported 952,200 annual unlinked passenger trips on the TRE. Other statistics: 41.64 unlinked passenger trips per vehicle revenue hour, $9.01 operating expense per passenger trip, $0.99 fare revenue per passenger trip, and 11% fare recovery.



Source: http://www.trinityrailwayexpress.org/

Trinity Railway Express (TRE)
Dallas-Fort Worth, Texas

FrontRunner
Utah Transit Authority, Salt Lake City, UT
www.rideuta.com

Utah Transit Authority (UTA) held a grand opening for the new Wasatch Front commuter rail train, FrontRunner, on April 25, 2008.

The $611 million FrontRunner line spans 44 miles, with eight stations between Pleasantview and Salt Lake City, where it connects with UTA TRAX light-rail services. (Source: Railway Age, Rail Industry News)

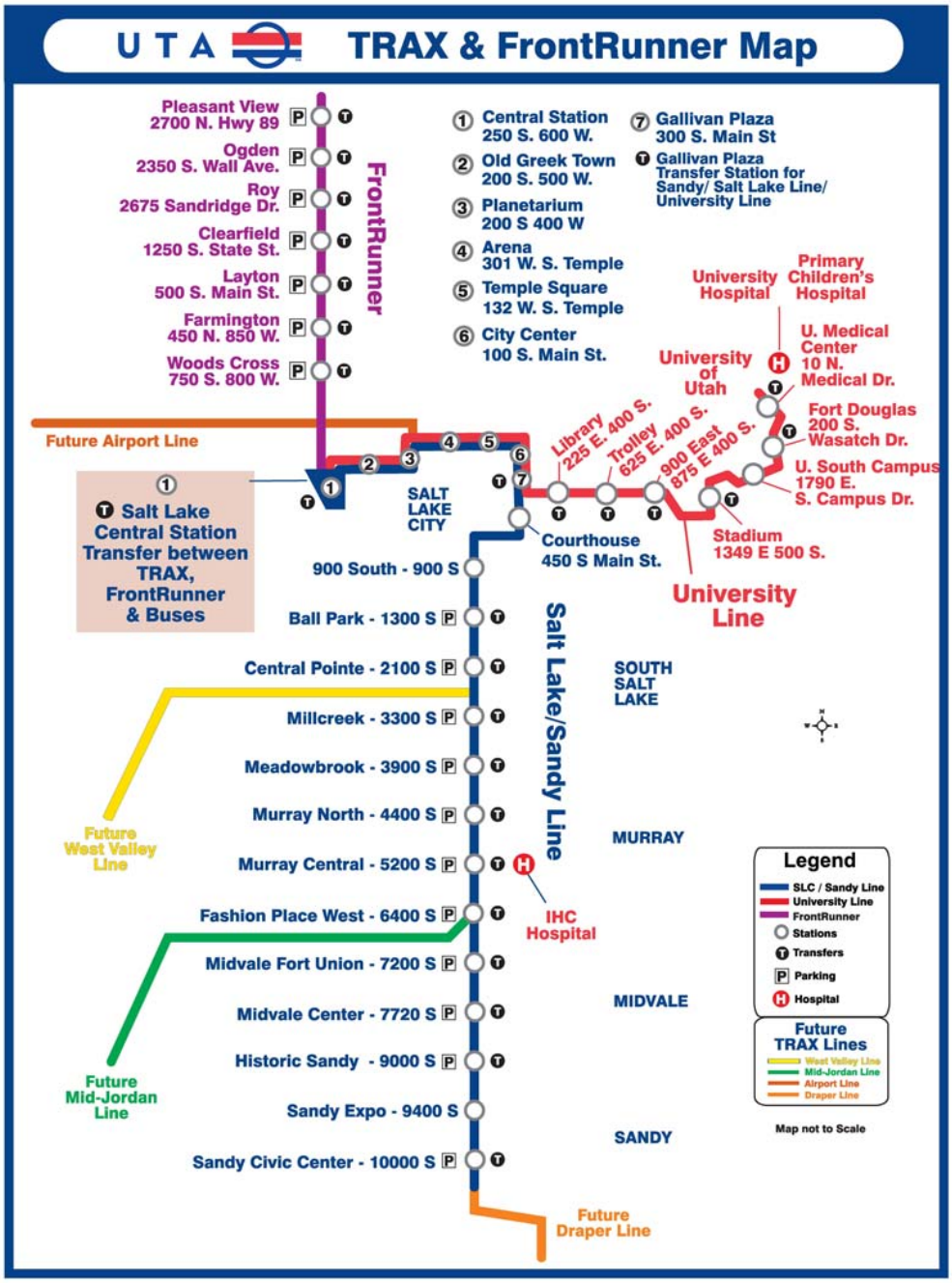
UTA is projecting about 5,900 daily riders initially, rising to 13,000 by 2020.

Governance

FrontRunner is a commuter rail service provided the UTA.

Funding

UTA sales tax revenues provide for operating expenses not covered by fares and local share to match federal grants for capital projects.



FrontRunner
Utah Transit Authority
Salt Lake City, Utah

Virginia Railway Express (VRE)
Northern Virginia – Washington, D.C.
www.vre.org

At its founding in 1992, the vision for the Virginia Railway Express (VRE) was to provide a safe, convenient, energy-efficient public transportation alternative to driving congested highways from the Northern Virginia suburbs to the business districts of Alexandria, Crystal City, and Washington, D.C. Each weekday, VRE now operates 32 trains over two branch lines, covering 90 route miles and serving 18 stations in eight Northern Virginia jurisdictions, and carrying upwards of 15,000 daily passenger trips.

VRE Manassas Line **-** The VRE Manassas Line opened on June 22, 1992. The alignment of the VRE Manassas Line runs from Broad Run and the Manassas, Virginia Airport to Washington, D.C. Union Station. The alignment is 35 miles long with 10 stations along the route. From end to end the travel time is approximately 75 minutes with an average speed of 33 mph.

The VRE Manassas line operates Monday through Friday and is mainly peak-directional (to the north in the AM and to the south in the PM). There is a midday train and one reverse commute train available to commuters during both the AM and PM peak periods. Schedule frequency is approximately every 30 minutes during both peak periods. Average daily boardings reported for April 2007 were 6,467.

VRE – Fredericksburg Line **-** The VRE Fredericksburg Line opened on July 20, 1992. The alignment of the VRE Fredericksburg Line runs from Fredericksburg, Virginia to Washington, D.C. Union Station. The alignment is 54 miles in length with 12 stations along the route. From end to end the travel time is approximately 90 minutes with an average speed of 33 mph.

The VRE Fredericksburg line operates Monday through Friday and is mainly peak-directional (to the north in the AM and to the south in the PM). There is a midday train and one reverse commute train during both the AM and PM peak periods but these trains are run by Amtrak, not VRE. Schedule frequency is approximately every 30 minutes during both peak periods. Average daily boardings reported for April 2007 were 7,259.

Governance

Organizationally, the Virginia Railway Express is a joint project undertaken by two commissions – the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission – which represent the Northern Virginia counties and municipalities in the VRE service area. Members of both entities sit on the VRE Operations Board, which governs VRE. Daily operations and capital projects are financed from a combination of federal, state and local grants, and through the sale of tickets.

Funding

VRE financing is a delicate balance of federal funding, state funding, local government funding, and the farebox. There is no stable, replenishable source of dedicated funds, so the various levels

of government involved in sponsoring the VRE agree among themselves on the apportionment of funding responsibility.

The regional motor fuels sales tax of 0.2% is used to fund public transportation in nine counties in the Washington, D.C. metropolitan area. The Commonwealth collects the revenues and sends the funds to the PRTC and NVTC for allocations.

The Virginia Commonwealth Transportation Trust Fund provides most state funding for transit in Virginia. Various taxes and fees, including general sales tax, gasoline tax, and motor vehicle [use] taxes are used to support the Trust Fund. State assistance for operating is financed from the Trust Fund. Funds are allocated to transit systems based on each system's operating expense as a percent of the statewide total. Transit Capital Assistance is funded from the general sales tax and the Trust Fund. Projects are subject to approval by the Commonwealth Transportation Board.

On balance, to the extent that VRE increases fares over time at a rate generally in line with cost inflation, the VRE recovery ratio is projected to remain at a high level. Growing ridership demand will tend to increase average train loads, which can be carried by VRE more efficiently on a per capita basis. This will tend to offset projected higher costs with respect to railroad access fees and service expansion. The funding shortfall in future years will need to be covered by some combination of the following funding sources: [25]

- Increased Federal funding
- Increased State funding
- Increased funding from existing local VRE member jurisdictions
- Local funding contributions from potential new VRE member jurisdictions
- Funding from other sources (e.g., freight railroads, developers)
- Creative financing mechanisms to defer or spread expenditures (e.g., equipment leases)
- Additional revenue (e.g., increased fares, parking fees).

NTD 2006

In fiscal 2006, there were 3.57 million annual unlinked passenger trips on the VRE Manassas and Fredericksburg commuter rail lines. Other key statistics are: 62.62 unlinked passenger trips per vehicle revenue hour, $11.50 operating expense per passenger trip, $5.45 fare revenue per passenger trip, and 47% fare recovery.

[25] *Source: http://www.vre.org/about/strategic/strategic_plan.htm and http://www.vre.org/about/performance/performance-measures.pdf*

Source: *http://www.vre.org*

Virginia Railway Express
Virginia

Sounder Commuter Rail

Central Puget Sound Regional Transit Authority, Seattle, WA

www.soundtransit.org

The Central Puget Sound Regional Transit Authority (RTA), commonly referred to as "Sound Transit," plans and operates regional transit connections in a three county area including King County, Pierce County, and Snohomish County, Washington State. Sound Transit sponsors three transit modes to make regional connections: Regional Express bus, Link light rail (in construction), and Sounder commuter rail. Sound Transit provides the planning, funding and capital for regional connections, and contracts out for the day-to-day operations. Sound Transit contracts with the local transit providers to operate Regional Express bus service and with Burlington-Northern-Santa Fe and Amtrak for operation of the Sounder commuter rail service. Sound Transit plans to contract out operation of the Link light-rail service.

The Sound Transit service area encompasses 1,015 square miles and serves a population of 2.6 million. In addition to regional connections, Sound Transit coordinates transit services and has a regional fare integration program with the following local transit agencies: King County Metro, Community Transit and Everett Transit in Snohomish County; and Pierce Transit in Pierce County. Sound Transit also works with Kitsap Transit, the Washington State Ferries, and Intercity Transit in coordinating fares and services.

Governance

Regional transit authorities are required by state legislation to be governed by a Board of Directors made up of local elected officials and the Secretary of the Washington State Department of Transportation. The Sound Transit Board of Directors is the authority's governing body. The Board establishes policy, provides direction, and performs oversight. The RTA is governed by a board made up of 18 members - 17 are local elected officials. The county executive in each county appoints members from that county. The State Department of Transportation Secretary also serves on the board. The local elected officials include mayors, city council members, county executives, and county council members within the RTA district. Each county is represented by one board member per 145,000 people living within that county. Initially, the RTA Board included three members from the Snohomish County, ten from King County, four from Pierce County and the State Transportation Department Secretary. The county executive in each of the participating counties appoints members from that county. The respective county councils confirm the appointments. By state law, appointments must include an elected city official representing the largest city in the participating county and proportional representation from other cities and unincorporated areas. To help assure coordination between local and regional transit plans, half of the appointments in each county must be elected officials who serve on the local transit agency governing authority.

Funding

The law that created Sound Transit also authorized the agency to levy and collect voter-approved local option taxes to pay for building and operating a high-capacity transit system. These taxes could include an employer tax, a special motor vehicle excise tax (the tax on license plate tabs) and a sales and use tax. Taxes will only be levied within the Sound Transit district. Sound Transit is not authorized to (nor does it intend to) levy property taxes to help pay for the regional transit system.

Local Funding - The current RTA tax is a 0.3% vehicle tax and a 0.4% sales tax that were approved by voters as part of the Sound Transit Proposition 1.[26] The RTA tax became effective for vehicle renewals on April 1, 1997 and was phased in as vehicle licenses expired after that date. Sound Transit also collects 0.8% rental car tax, levied on the rental value of vehicles. The tax is collected by businesses and remitted to the state Department of Revenue. The Department of Revenue disburses the proceeds to Sound Transit through the Office of the State Treasurer.

Federal Funding - Section 5309 New Starts (FTA Discretionary), Surface Transportation Program (FHWA Urban Competitive), Surface Transportation Program (FHWA Railroad Crossing), Section 5307 (FTA Competitive), Congestion Mitigation Air Quality (FHWA Competitive), Section 5309 Bus (FTA Discretionary), Reverse Commute (FTA Competitive) Surface Transportation Program (FHWA Enhancements Competitive)

Regional Fund - The RTA establishes a regional fund that is funded through a percent of local tax revenues contributed by each of the five subareas and interest earnings.

Sounder Commuter Rail

Sounder runs three trains every weekday in the North Corridor from Everett to Seattle with a stop in Edmonds. Construction is underway for a Sounder station in Mukilteo

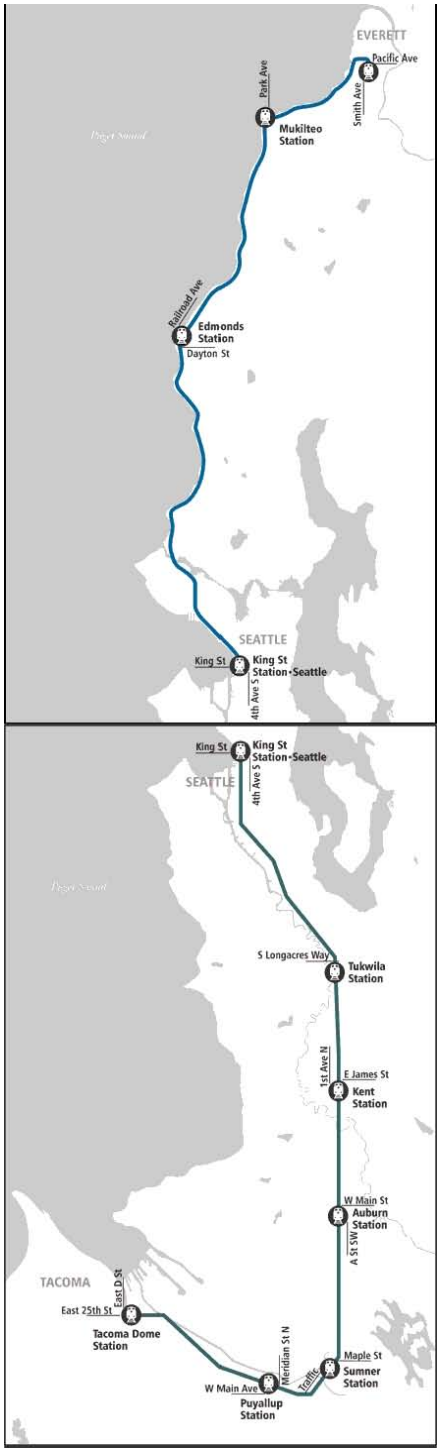
Sounder runs six trains every weekday in the South Corridor starting in Tacoma with stops at Puyallup, Sumner, Auburn, Kent, Tukwila and into Seattle. One of the six trains leaves from Seattle in the morning to Tacoma, with stops at all stations and a return trip in the late afternoon.

Powered by clean-burning, ultra-low sulfur diesel, the trains run on freight tracks owned by the BNSF Railway Company. While Sound Transit owns the stations and provides security, Sounder trains are operated by BNSF and maintained by Amtrak.

NTD 2006

In fiscal 2006, there were 1.7 million annual unlinked passenger trips on the Sounder commuter rail service. Other key statistics are: 105 unlinked passenger trips per vehicle revenue hour, $13.35 operating expense per passenger trip, $3.02 fare revenue per passenger trip, and 23% fare recovery.

[26] Voters in the RTA tax district approved an additional 0.5% sales tax for regional transit on November 4, 2008.



Sounder Commuter Rail
Sound Transit
Seattle-Tacoma, WA

University Transportation Center for Mobility

Texas Transportation Institute

The Texas A&M University System

College Station, TX 77843-3135

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utcm.tamu.edu