

Discussion of Legislative Approach and Funding

Regional Transit Task Force

September 16, 2010



King County

METRO

We'll Get You There.

Problem Statement

- The national economic recession has resulted in reduced sales tax revenue, which is a substantial portion of current Metro Transit funding
- Metro has implemented cost reductions and efficiencies and deferred some capital and *Transit Now* service investments to limit service reductions through 2011 and to continue *Transit Now* RapidRide and Service Partnership services
- Based on current economic forecasts, beginning in 2012 significant additional Metro Transit cost reductions, efficiencies and service reductions estimated as high as 15% to 20% of the system by 2015 (~600,000 annual hours) will be necessary
- New transit revenue sources are required to avoid or to reduce the extent of service reductions that would otherwise be necessary

Current King County Metro Program Funding

- ✓ Sales tax
- ✓ Property Tax
- ✓ Fares/Advertising/Partnerships
- ✓ Federal & State Operating grants
- ✓ Federal & State Capital Grants
- ✓ Federal stimulus
- ✓ Contract revenue
- ✓ Interest/other

Recent Legislative History & Political Lay of the Land

- \$20 Vehicle License Fee (VLF) for transit agencies
 - Proposed in 2009 as part of Senate Bill 5433
 - Proposed in 2010 as part of House Bill 2855
 - Neither was ultimately successful
 - Had traction with members in the House but Senate members were concerned that transit needed to be part of a forthcoming statewide transportation package instead of receiving an independent solution
- Transportation Partnership & a statewide package
 - Transportation stakeholders are organizing around a proposal for a comprehensive statewide transportation revenue package
 - Objective is to create a multi-modal approach, including transit
 - 2003 and 2005 state funding package projects are nearly complete
 - Timing – gearing up for 2011 or beyond

Potential Solutions/Strategies

- Short-term or partial revenue enhancement options
 - ✓ \$20 Vehicle License Fee with sunset provisions
- Long-term revenue enhancement options
 - ✓ Motor Vehicle Excise Tax (MVET)
 - ✓ Roadway pricing with partial transit revenue stream
 - ✓ Added sales taxes
 - ✓ Added property taxes
 - ✓ Other new revenue sources

Questions and Issues to Consider for our Next Meeting

- **Metro will need to pursue additional cost efficiencies and cost control measures and continue implementing performance audit findings in any scenario**
- 2040: significant additional investment is necessary to pursue the service growth strategies assumed in Transportation 2040
- If a legislative strategy is sought:
 - timing?
 - short-term stop-gap relief, long-range solutions, or both concurrently?
 - what does a successful coalition look like?
- Looking at a short-term approach, some service reductions beyond those planned in 2010-11 may be necessary
- Looking at a long-range approach, if new revenue stream is robust and stable, a more reliable growth of transit system may be possible