Transit Funding Crisis Across the Nation

King County Metro is facing an unprecedented funding crisis. To balance the 2010/2011 transit budget required a combination of fare increases, staff layoffs, capital program cuts, spending reserves, levying a new property tax, implementing operating efficiencies and deferring planned service investment.

Metro is not the only transit agency facing such challenges however. All across the nation, transit agencies are faced with similar situations requiring tough choices. San Francisco, Chicago, New York and Washington D.C. are just some of the examples of metropolitan regions experiencing huge transit budget deficits, leading to service cuts, worker layoffs and fare increases.

The following articles include an overview of what is happening across the country and provide more detailed discussion of a sampling of certain agencies, including some of Metro's neighbors at Community Transit in Snohomish County and Tri-Met in Portland, Oregon.

Stranded at the Station

Report documents the devastation of transit cuts and fare increases on America's communities

Americans across the country, in towns large and small, are being hurt by fare increases and draconian cuts in public transportation service, an epidemic that did not have to happen, according to a new report from Transportation for America and the Transportation Equity Network.

Stranded at the Station: The Impact of the Financial Crisis in Public Transportation is the first systematic analysis of the conundrum faced by communities and their transit systems: Historic ridership and levels of demand for service, coupled with the worst funding crisis in decades.
The nationwide demand for public transportation is at historic levels and growing, but funding for the day-to-day operations of these transit services is built on an unstable foundation. This report shows that without federal support, many will likely will be unable to meet the demand now and in the future.

Many transit agencies across the country have cut service, raised fares or laid off workers to deal with shrinking budgets, severely affecting the people who depend on regular, reliable service in order to access jobs, social services and education everyday. Nearly **90 percent** of transit systems have had to raise fares or cut service in the past year and among the 25 largest transit operators, 10 agencies are raising fares more than **13 percent**.

Americans without access to an alternative form of transportation, the majority of whom are older, African-American or Hispanic and senior populations, are being left stranded without access to lifeline services.

As our United States of Transit Cutbacks map from earlier this year and the new maps from this report show, these cuts reach across America from coast to coast.

FIGURE 5 2009 FARE INCREASES, SERVICE REDUCTIONS & STAFF REDUCTIONS (ENACTED & PROPOSED)

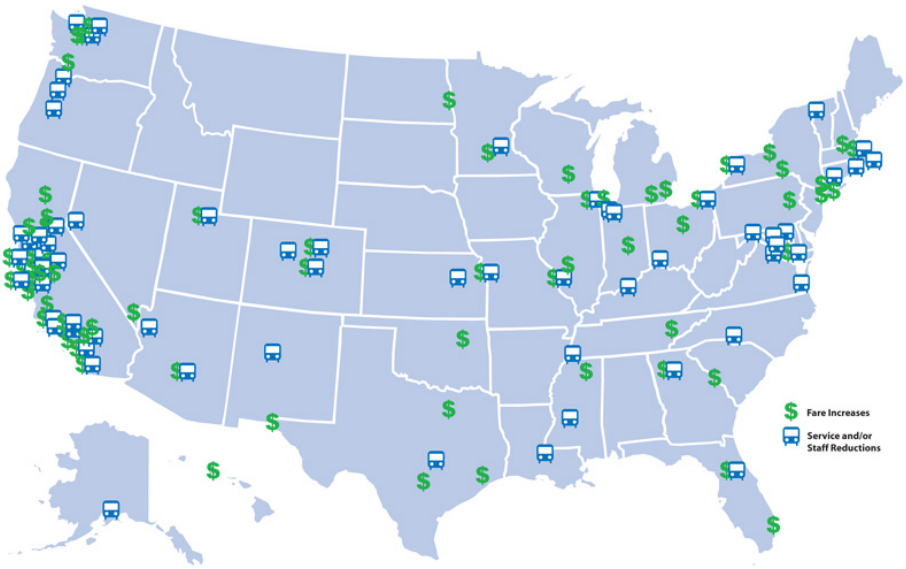
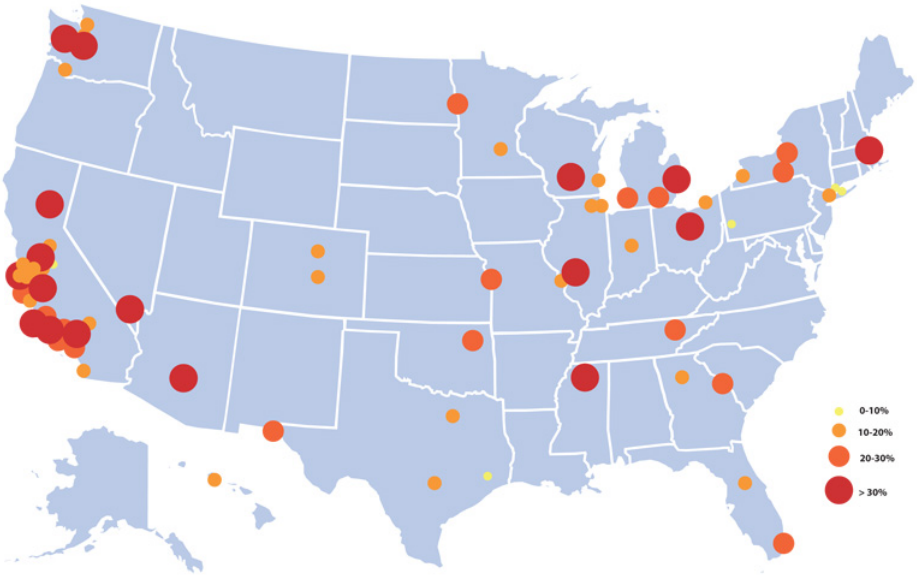


FIGURE 6 2009 INCREASES IN ADULT CASH FARE (ENACTED & PROPOSED)



What can we do about it?

TOP 10 PROJECTED DEFICITS AS A PERCENTAGE OF OPERATING BUDGET

1.	MARTA (Atlanta)	18%
2.	Muni (San Francisco)	17%
3.	MTA (New York)	14%
4.	CTA (Chicago)	12%
5.	DART (Dallas)	12%
6.	WMATA (Washington, DC)	12%
7.	MBTA (Boston)	11%
8.	BART (San Francisco)	8%
9.	Metro Transit (Minneapolis/St. Paul)	8%
10.	TriMet (Portland, OR)	7%

Existing federal policy is out of date and out of touch with the reality of public transportation's growing importance to Americans and their communities. Only **18 cents** of every transportation dollar supports transit and to make that situation worse, communities are required to supply a much larger matching amount compared to federally-supported highways.

A local community has to provide a dollar for each federal dollar received in transit funding, versus providing just $0.25 for each federal dollar received for highways.

Large transit systems do not have the flexibility to spend their federal formula funds on keeping buses and trains running and preserving reliable, high-quality service. Instead, they are restricted to spending their funds on capital needs — on construction and new equipment that they might not afford to operate. So they might be able to buy a new bus, but can't afford to pay a new driver to operate it.

The upcoming transportation authorization is a once-in-a-generation opportunity to create the safe, clean and smart transportation system necessary to ensure all Americans have the options they need to succeed in today's economy and to move our country forward.
Chairman James Oberstar and his House Transportation and Infrastructure Committee are to be commended for drafting a six-year bill that would increase the investment in public transit and restore some flexibility in how federal funds are used.

PERCENTAGE INCREASES IN BASE FARES

1.	Muni (San Francisco)	33%
2.	MBTA (Boston)	33%
3.	BART (San Francisco)	17%
4.	DART (Dallas)	17%
5.	King County Metro (Seattle)	17%
6.	RTD (Denver)	14%
7.	MARTA (Atlanta)	14%
8.	MTA New York City Transit (New York)	13%
9.	CTA (Chicago)	13%
10.	TheBus (Honolulu)	13%
11,	MTA Long Island Rail Road (New York)	10%
12.	MTA Metro North	10%
13.	Metro (Houston)	4%

The full transportation bill could be further improved by incorporating HR 2746, sponsored by representatives Russ Carnahan (D-MO) and Doris Matsui (D-CA). HR 2746 would cut the red tape preventing large transit agencies from using federal formula transportation funds they receive to maintain service and affordable fares.

This bill allows federal transit funds to be spent on operating assistance if a state or local government also increases its level of support for the transit system, leveraging federal funds to increase overall public transportation funding levels. The bill also allows transit systems to use federal funds for operating expenses to achieve energy savings or greenhouse gas reductions through expanded service.

The current crisis is not just a short-term problem. Unless it becomes a catalyst for change, given the scale of this recession, next year's transit agency budgets are unlikely to be much better. Even in a healthier economy, transit riders will remain caught up in a fluid, unpredictable, and ultimately unhealthy situation.

We can and must do better.

TriMet faces $27 million in cuts for FY11 budget

February 10, 2010

Portion of shortfall will be offset by service cuts; 3-month public process begins with rider input and open houses

Due to the continued economic recession and declining payroll tax revenues, TriMet must cut its FY11 budget by $27 million, which includes a 5 percent administrative cut, a salary and hiring freeze, reductions to bus and MAX service, and a five-cent fare increase.

Last year, TriMet faced a $31 million budget shortfall and cut 9 percent to all areas except service, and implemented a salary and hiring freeze, layoffs and executive furloughs before looking to fill the balance of the shortfall by cutting bus and MAX service. In the past 18 months, TriMet staff has been reduced by more than 120 employees.

TriMet faces a $27 million budget shortfall for FY11, and is using $7.2 million in federal stimulus funds to reduce the budget gap to $20 million. With the economy still in deep recession, TriMet expects payroll tax receipts to be down $15 million and passenger revenue down $8 million, with other assorted expenses adding up to a $27 million shortfall. TriMet gets 55 percent of its operating revenue from payroll taxes.

TriMet needs to cut approximately $8.7 million in transit service. Today, TriMet begins a three-month comment and refinement phase where the public can help shape the final service cut plan. Service changes take effect September 2010.

Criteria for service cuts

- Low ridership bus lines
- Low ridership trips on bus lines and MAX
- Alternative service available nearby
- Least impact to riders and available capacity on the vehicle

Ridership changes

The ongoing recession, double digit unemployment and previous cuts to service have impacted transit ridership. Bus ridership has been declining since March 2009, and in the past six months, bus ridership has declined 10 percent, nearly 16 percent during rush hour and nearly 5 percent systemwide. MAX also saw a drop in ridership since March, but it has been boosted since the Green Line opened in September. As TriMet looked to propose cuts, it focused on how ridership has changed so that service can better match ridership demand.

4 bus lines proposed to be discontinued

- Four bus lines are proposed to be eliminated due to low ridership and/or have alternative service nearby. Low ridership lines have less than 15 rides an hour: 27-Market/Main, 65-MarquamHill/Barbur Blvd, 154-Willamette and 157-Happy Valley.

- Three lines are proposed to have some or all weekend service eliminated due to low ridership: 32-Oatfield (Saturday service), 45-Garden Home (Sunday service) and 80-Kane/Troutdale (both Saturday and Sunday service).

Proposed bus frequency changes

TriMet is proposing that the frequency of several lines be reduced to match ridership demand with vehicle capacity.

- Weekday schedule reductions on 24 bus lines:
    - Reduce the frequency by 2-3 minutes during non-rush hour and by 2-10 minutes in the evenings on 13 lines (Lines 4, 6, 8, 9, 12, 14, 15, 17, 20, 33, 57, 70, 71); four of those lines will have 2-3 minute changes during rush hour (33, 57, 70, 71).
    - On 11 lines, reduce the frequency 2-10 minutes throughout various times during the service day (16, 24, 32, 43, 44, 52, 58, 62, 68, 73, 77).
- Weekend schedule reductions: reduce the frequency of 13 bus lines up to 6 minutes (4, 6, 8, 9, 12, 14, 15, 20, 33, 54/56, 57, 71, 75); frequency change from every 30 to every 60 minutes on Line 58 on Sundays.
- Eliminate select trips: eliminate select weekday trips on six lines where capacity is available (1, 51, 85, 92, 94, 99).

- Reduce span of service on weekdays and/or weekends: eliminate the first and/or last trip with low ridership on 15 lines (8, 9, 24, 28, 32, 45, 48, 51, 55, 70, 73, 85, 87, 88, 155); on four of those lines, more than the first/last trip will be eliminated (48, 70, 73, 155).

- Eliminate low-ridership portion of route: eliminate a portion of four routes with low ridership (33, 43, 53, 67).

More details

MAX service

The start and end times of MAX service and rush hour service remain the same. TriMet is proposing to reduce frequency by 2 minutes on all lines midday, evenings and weekends, from every 15 minutes to every 17 minutes in off peak

hours. In the early mornings and late evening, schedules would be adjusted by up to four minutes.

Fare increase

TriMet is also proposing to increase fares five cents to help keep pace with inflation. TriMet typically increases fares nearly every year. The last fare increase was September 2008.

Public comment period

Public comments for this phase are accepted beginning today through Friday, April 23. In addition to the service cuts, the public can comment on the proposed fare increase. All information is posted on trimet.org. Comment via:

Email: Feedback form
Comment line: 503-962-5806
Fax: 503-962-6469
Mail: TriMet-MK2, 4012 SE 17th Ave., Portland, OR 97202
TTY: 503-238-5811 (7:30 a.m. to 5:30 p.m. weekdays)

Open Houses

TriMet will be holding open houses to answer questions and gather input from the public:

Tuesday, February 23, 2010, 4:30-6:30 p.m.

Portland Building
Conference Room C
1120 SW 5th Avenue
Portland, OR 97204

Plan a trip to this meeting

Wednesday, February 24, 2010, 4:30-6:30 p.m.

Pioneer Community Center
615 5th Street
Oregon City, OR 97045

Plan a trip to this meeting

Wednesday, March 3, 2010, 4:30-6:30 p.m.

Beaverton Community Center
12350 SW 5th Street, Suite 100
Beaverton, OR 97005

Plan a trip to this meeting

Thursday, March 4, 2010, 4:30-6:30 p.m.

Gresham City Hall
Oregon Trail Room
1333 NW Eastman Parkway
Gresham, OR 97030

Plan a trip to this meeting

June service changes

TriMet will adjust summer schedules as it regularly does to match service with ridership demand. On 10 lines, schedules will be adjusted by 2-3 minutes during rush hour (Lines 6, 8, 9, 12, 14, 15, 33, 70, 73, 96); a few select trips with low ridership will be eliminated (10, 19); on Line 35 expand headways from every 30 to every 45 minutes on Sundays. Line 72 will have schedules realigned to match ridership, since many former riders now ride the Green Line. Line 72 will maintain at least 15-minute or better service the same hours as today. June changes begin June 6, 2010. The June changes result in approximately $2.5 million in savings.

The New York Times
ROOM FOR DEBATE
A Running Commentary on the News

DECEMBER 16, 2009, 7:32 PM

Why Is the M.T.A. Always in Trouble?

By THE EDITORS

Mario Tama/Getty Images

Updated, Dec. 17, 12:05 p.m. | Paul Larrousse of the National Transit Institute joins the discussion. He points out that the M.T.A. is hardly alone in its troubles: 90 percent of transit systems have raised fares and/or cut service in the past year.

The Metropolitan Transportation Authority, which is struggling to fill a sudden budget gap of $400 million, voted to approve a slate of cuts, including phasing out free student fares, reducing or ending service on dozens of bus lines and eliminating two subway lines, the W and the Z.

The current financial crisis came up quickly as expected revenues plummeted. For riders, the M.T.A. seems to be in perpetual trouble, with threats of fare increases and service cuts even in good times. A 7.5 percent fare increase is already scheduled for 2011. Strong union contracts and an aging infrastructure make cost control challenging. What savings and efficiencies might be achieved immediately, and what cuts need to be done in the out years?

Related
- Broad Service Cuts Stir Many Complaints
- No W or Z? Mapmakers, Grab Your Pens

- Joshua B. Freeman, history professor and author
- Nicole Gelinas, Manhattan Institute
- Neysa Pranger, Regional Plan Association
- Paul Larrousse, National Transit Institute

Underfunded Since the 1940s

Joshua B. Freeman *is professor of history at Queens College and the Graduate Center of the City University of New York. He is the author of "Working-Class New York: Life and Labor since World War II" and "In Transit: The Transport Workers Union in New York City, 1933 1966."*

No modern mass transit system can effectively operate without substantial subsidies. Ever since New York City took over the bus and subway system in the 1940s it has been chronically underfunded, with the situation getting worse in recent decades.

The only possible solution to the perpetual transit crisis is

The M.T.A.'s chronic inability to

increased government funding. The federal, state and local governments must work together to shift subsidies away from road travel and other high energy transportation systems to more efficient ones, like trains, buses and subways, while making sure that businesses and real estate owners who benefit from mass transit pay their fair share.

come up with believable, accurate financial forecasts suggests a need for a house cleaning.

Service cuts make no sense. They will undo much of the progress the M.T.A. has made in recent years in attracting riders and penalize those who did not cause the current mess. While the agency has a point in arguing that the city should contribute toward the cost of carrying school children, its threat to cut off their free fares is yet another political stunt of the sort that has undermined public backing for the agency.

Close

No doubt the M.T.A. could cut some of its very large administrative costs. I would start by firing the people who decided to challenge in court the award that resulted from arbitration with the Transport Workers Union (to which the M.T.A. had enthusiastically agreed), a political charade, bound to fail, that postponed a realistic reckoning with the agency budget and needlessly alienated the work force. (The chronic inability of the M.T.A. to come up with believable, accurate financial forecasts suggests a broader house cleaning may be in order.)

Transit workers have dirty, difficult, dangerous jobs, for which they get reasonably good pay and benefits. If we are going to start cutting overly generous compensation, let's begin by putting higher city and state taxes on those in the financial industry who tanked the economy, leading to the MT.A.'s problems. We can work down from there. It will take quite some time to get to transit workers.

Get Smart With Labor

***Nicole Gelinas**, a contributing editor to the Manhattan Institute City Journal, is author of "After the Fall: Saving Capitalism from Wall Street — and Washington."*

Seven months ago, the state-run Metropolitan Transportation Authority won a $2.1 billion bailout. Today, it is preparing to make the same "draconian" service cuts that it threatened last year.

The problem is that New York's labor costs are unsustainable and consume money for physical investments. The deficit is a leadership deficit.

If the authority's costs had kept up with inflation during the last half-decade, the M.T.A. would not face big deficits today. Instead, labor costs have increased more than 40 percent,

Powerful unions cannot continue to enjoy outdated compensation and rule packages at the expense of

driven by pension and health care benefits. Next year, pensions and health care will cost the authority nearly $2.2 billion, more than one-fifth of its cash operating expenses. Debt costs are up, too, and the reason for so much debt is that labor costs require so much cash.

riders and New York's economic future.

These problems are not temporary — caused by the recession — but indefinite, caused by poor political decisions. The authority's unionized workers in New York City can retire as early as 55 with generous health benefits. Long Island Rail Road benefits are legendary.

Close

This is not compensation for low wages. Average pay for the authority's city union members is more than $64,000. Subway and bus workers recently won an 11.5 percent raise over three years, costing the M.T.A. $193 million in 2010, more than service cuts will save. Similar generosity at state government is why Albany had to take away $143 million of the authority's money for its own deficit. Work rules, too, add costs.

Immediately, the authority cannot do much about these costs, which are contractual. M.T.A. chief Jay Walder is cutting the non-union budget, including, possibly, 10 percent pay cuts, and there's plenty more to do administratively. "It's apparent to me that we don't operate in a way that ensures that every taxpayer dollar that we receive is being used as effectively as possible," Walder said Wednesday. But administrative cuts are not enough to avoid public pain.

Longer term, it comes down to political leadership from Gov. David Paterson, Mayor Michael Bloomberg and lawmakers. Skilled workers should be paid fairly, and current workers have a right to the pensions that Albany has promised them. But powerful unions cannot continue to enjoy outdated compensation and rule packages at the expense of riders and New York's economic future.

Increase State Support

***Neysa Pranger**, director of public affairs at the Regional Plan Association, has been involved in several statewide efforts to finance transportation needs.*

The region's transit system is in hot water again. An under-performing payroll tax, greater than expected operating expenses and cuts in state aid have turned the M.T.A. into the perennial Grinch, with cuts to service and student transit passes.

Where do we go from here? The M.T.A. will meet again in early 2010 after a round of public hearings to approve or modify Wednesday's actions. Here are some ideas.

Katie Orlinsky for the New York Times As part of M.T.A.'s service cuts, the W line will be eliminated.

First, the city and state should pitch in to cover student transit passes. While the city's

contribution has remained stable since an agreement between the M.T.A., city and state split the burden equally amongst the three entities in 1995, the state's portion has slipped and the M.T.A. has had to make a larger and larger percentage of the cost.

Second, the M.T.A. must find its own internal savings. Jay Walder, the authority's chairman, on Wednesday proposed a 10 percent salary reduction to all the non-union employees and a commitment to "take the place apart" to find savings in the coming year.

Close

He should expedite this process. But much like other proposals on the table, these actions will not be enough to close the gap on their own.

Third, the state and city must not give up on finding a long term source of revenue to finance transit expansion and operating needs. At the climate change talks in Copenhagen, Mayor Bloomberg floated the notion reviving variable tolling on the city's bridges. While this idea has encountered many obstacles in the recent past, tolling is being embraced around the globe as a sensible user fee system.

Lastly, the House of Representatives on Wednesday marked up bills for a second round of stimulus funding aimed at saving and creating jobs. Part of this provision will allow transit agencies to use a small portion of these funds on operations. While cities must ultimately be responsible for supporting transit operations, a one-shot provision to keep buses and subways running in a struggling economy should be considered.

Transit Troubles Everywhere

Paul Larrousse *is the director of the National Transit Institute in the Edward J. Bloustein School of Planning and Public Policy at Rutgers University. He has been a general manager of transit systems in Wisconsin, Michigan and Pennsylvania.*

The financial situation facing the New York M.T.A. is not unique in the transit industry given the recession and the revenue shortfalls in the public sector. The is no quick or simple fix to this problem. The American Public Transportation Association reported that 90 percent of transit systems have raised fares and/or cut service in the past year. Budget shortfalls are reported by the transit industry on a daily basis.

Cutting service and raising fares are always the least desirable options, but for many systems weathering the downturn there are no other options.

The aging of the transit workforce raises tough pension and health care issues.

Adding new technologies, improved vehicles or system upgrades may be help improve efficiencies. But these efforts will not, in and of themselves, close the huge budget gaps. Further, these solutions also require financial investments and may take a long time to put in place.

Many people say that the solution lies in re-negotiating transit labor contracts. The unions are aware of the industry's problems and have not been unresponsive to the current economic situation. But the transit workforce is rapidly aging, and that presents issues in funding current and future benefits like pensions and health care. Also, since most transit workers are public employees, the laws governing public sector employment can constrain the ability to change labor agreements.

Copyright 2010 The New York Times Company | Privacy Policy | NYTimes.com 620 Eighth Avenue New York, NY 10018

The Seattle Times

Thursday, March 4, 2010 - Page updated at 12:46 AM

Permission to reprint or copy this article or photo, other than personal use, must be obtained from The Seattle Times. Call 206-464-3113 or e-mail resale@seattletimes.com with your request.

Snohomish County may lose Sunday bus service

By Mike Lindblom
Seattle Times transportation reporter

ERIKA SCHULTZ / THE SEATTLE TIMES
Bob Fletcher, here at the Aurora Village Transit Center in Shoreline, opposes a Community Transit proposal to cut Sunday bus service. He believes Community Transit did a poor job of engaging the community and presented no alternatives.

Bob Fletcher took the bus Sunday to escort his foster daughter to a meetup at Aurora Village, then back north on Highway 99 to Home Depot in South Everett, followed by Lowe's in Lynnwood, finding supplies to build a rain canopy for his wheelchair.

He'll spend his Sundays closer to home after mid-June, if Community Transit board members Thursday approve a drastic proposal to eliminate service on Sundays and holidays.

By cutting Sundays, managers are striving to preserve the bulk of the busier weekday service, although some cuts are planned there, too.

After putting up a brave face through a gas-price spike followed by recession, Snohomish County's public-transit agency is succumbing to a 15 percent drop in sales-tax revenue since 2007.

Its response points to a profound shift in the mission of public transit. Instead of serving mainly as a social-safety net for those who cannot drive, Community Transit has focused on surmounting gridlock for commuters.

In fact, cheaper local fares are rising 25 cents while the higher-priced commuter fares are not. The agency is still buying new "Double Tall" bi-level buses for long commute routes into King County and keeping its promise of a bus every 10 minutes on the new Swift bus-rapid transit system on Highway 99 (except Sundays).

"It's not just about maintaining commuter service. It's about maintaining our core local service as well, so that when the economy improves, we still have a good core to build from," said spokesman Tom Pearce. "It's terrible for the people who are losing their Sunday service; it's the absolute last resort."

Community Transit provides bus and vanpool service throughout most of Snohomish County, and to downtown Seattle, the University of Washington and the Eastside.

Some numbers:

The average Sunday sees about 8,400 boardings, compared with 35,000 per weekday. Despite fewer bus

runs, Sundays require similar overhead, including supervisors and mechanics. So the agency would need to cut 1.7 hours of bus travel per weekday to preserve 1 hour of Sunday service.

The 'community'

Fletcher, 64, rides the bus 20 to 30 times a week. A former small-scale land developer with a love of backhoes, he lost most of his eyesight to diabetes, and his mobility to degenerative-bone diseases. He rides the bus partly to keep his sanity, rather than molder inside his home near the Ash Way Park-and-Ride just north of Lynnwood.

Wednesday morning, he rode crosstown to Shari's in Mill Creek for coffee with a friend; other days he'll hit Costco to eat the food samples.

Fletcher agrees that transit CEO Joyce Eleanor is doing a logical thing, from a purely fiscal point of view.

But he also meets elderly women who take a bus to church, and teens who need buses to go to work at Alderwood mall. He's a huge fan of Swift, but on Sunday there will be a gap between Everett and the King County line for anyone traveling Highway 99.

"I will be less affected than a lot of people. I'm more concerned with people who have got to have it," he says.

Says his son Michael, a limousine driver: "They're taking the 'community' out of Community Transit."

Kathleen Custer, president of Amalgamated Transit Union Local 1576, said the agency hasn't taken a serious look at alternatives. The union Thursday will call for trimming management and deferring certain capital projects, including the double-decker buses and a high-tech vehicle-tracking system.

Sharing the pain

Transit officials say commuters will share the pain.

For example, people leaving the downtown Edmonds ferry terminal would switch buses at the Edmonds Park-and-Ride near Highway 99, instead of taking a one-seat ride into Seattle.

Twelve routes would be eliminated, others would be less frequent, and some bus routes would end at park-and-ride lots instead of reaching outlying neighborhoods. Some workers at Boeing have seethed over proposals to reduce routes to the Everett plant from small towns.

Sunday service has been suspended here before, for two years following Tim Eyman's Initiative 695 in 1999, when voters supported a statewide cut in car-tab taxes.

Snohomish County isn't the only place sacrificing Sunday buses.

According to an American Public Transportation Association (APTA) survey last year, 54 percent of transit agencies that made service cuts either reduced or eliminated weekend runs. (Meanwhile, 54 percent also reduced peak-time travel.)

Kitsap Transit suspended Sunday service in February 2009.

King County Metro, on the other hand, has not proposed service cuts, though it warns they might be looming.

Nationally, transit agencies have seen a surge in what they call "choice" riders in the past five years, as former drivers seek refuge from gas prices and traffic. That means about 60 percent of riders are traveling to or from work, said APTA spokeswoman Virginia Miller.

That's a big motivation for transit politicians to cater to commuters, though Miller emphasizes that "all types of people ride public transit."

Locally, the plight of Community Transit and other agencies is being invoked by transit boosters in Olympia, where Rep. Marko Liias, D-Mukilteo, has co-sponsored an amendment to let transit boards enact a $20 car-tab fee.

More than 500 people have attended public meetings, and 800 comments have been filed, about the proposed Community Transit cuts.

Just about every Sunday bus rider is a weekday rider too, Pearce emphasizes.

Those include Bob Fletcher, a gadfly to transit officials. He's having tests at UW Medical Center on Thursday. He'll make the 3 p.m. board meeting in South Everett â€" if the buses bring him back in time.

Mike Lindblom: 206-515-5631 or mlindblom@seattletimes.com

Copyright © The Seattle Times Company

THE NEWS TRIBUNE

GOVERNMENT/POLITICS

< Back to Regular Story Page

Pierce Transit plans cuts

Buses: Without new revenue by 2012, agency might sharply reduce service

DAVID WICKERT; STAFF WRITER
Last updated: February 25th, 2010 09:09 AM (PST)

Pierce Transit might eliminate local bus service in much of the county in 2012 unless it can find new money to balance its budget.

Service would be eliminated in most of East Pierce County, Northeast Tacoma, Gig Harbor and Steilacoom under one scenario described by Pierce Transit officials in a meeting with The News Tribune's editorial board Wednesday.

One solution: a three-tenths of 1 percent sales tax increase that would have to be approved by voters. New state or federal revenue also could help save bus service.

Pierce Transit chief executive Lynne Griffith said the agency faces an unprecedented funding crisis as the recession pummels its chief source of revenue: the sales tax.

Without new funding, "we'll inevitably hit the edge of the cliff and have to make some radical changes," Griffith said.

Currently Pierce Transit provides bus, shuttle and vanpool services across most of Pierce County. Last year the agency saw 15.6 million passenger boardings.

But while use of local transit services was up nearly 15 percent from 2006, the agency has struggled to balance its budget as revenue declined during the recession.

The sales tax accounts for about 70 percent of Pierce Transit's $119 million operating budget. Fares and grants account for most of the rest.

From the agency's founding in 1980 through 2006, its sales tax revenue grew at an average rate of 6 percent a year. That allowed Pierce Transit to expand its system and pay for rising operating costs.

But the recession and unemployment have taken a toll on consumer spending, and Pierce Transit saw its sales tax revenue plummet more than $40 million from 2007 through 2009.

The agency has responded by trimming staff, reducing service, raising fares and seeking operating efficiencies. The result: about $72 million in savings.

But long-term funding problems remain. Sales tax revenue is still declining and isn't projected to return to 2007 levels until 2016.

As a result, Pierce Transit will either have to find new money or dramatically reduce service, Griffith said.

If forced to rely on current revenue sources, the agency would eliminate local service in many areas by 2012.

The areas that could be targeted for service cuts include a huge portion of the county geographically.

But Pierce Transit spokesman Lars Erickson said the affected areas are less densely populated than the county's urban core, where service would still be provided.

Still, even in urban areas buses would run fewer hours and stop less frequently. Weekend service also would be reduced.

The agency would reduce the number of bus routes from 51 currently to 23 routes. It would reduce total annual service hours from 622,000 to 265,000.

Griffith said those plans are "back of the napkin" calculations. The agency would seek public input before finalizing the cuts.

To prevent dramatic service cuts, the Pierce Transit Board may consider asking voters to approve a three-tenths of one percent sales tax increase. That would allow the agency to slightly increase service over existing levels.

Griffith said it's also possible state and federal funding could help offset declining sales tax revenue.

The bottom line: "By mid-2012 we need to have new revenue," she said.

Pierce Transit isn't the only agency experiencing tough times.

Public transit agencies across the country have raised fares and reduced service because of declining revenue, according to the American Public Transportation Association.

More than 80 percent of public transit agencies have seen flat or declining revenue, the association reported.

The Pierce Transit board has not decided whether or when to ask voters to approve a tax increase. County Executive Pat McCarthy, a member of the board, said it will seek public input before making a decision.

Beginning next month Pierce Transit will host a series of public meetings to explain its predicament and seek feedback.

The agency board is expected to decide how to proceed this summer.

McCarthy praised Pierce Transit for reviewing its 30-year-old system in light of tight resources.

“As a public, we want everything,” McCarthy said. “We want expedited service. We want service countywide and we want it in every nook and cranny. But there’s a cost to that.”

Griffith said Pierce Transit will continue seeking efficiencies and will seek to provide the best service it can.

“Dollars will determine how well we can do,” she said.

David Wickert: 253-274-7341

david.wickert@thenewstribune.com

blog.thenewstribune.com/politics

Terms of Service | Privacy Policy | About Our Ads | Contact Us | About Us | Site Map | RSS
1950 South State Street, Tacoma, Washington 98405 253-597-8742
© Copyright 2010 Tacoma News, Inc. A subsidiary of The McClatchy Company