

REGIONAL TRANSIT AUTHORITIES:
THEIR STRUCTURE
HOW THEY ARE FUNDED
WHAT WORKS AND WHAT DOESN'T WORK

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INTRODUCTION

Regional transit authorities operate in many areas around the country. In Wisconsin, public transportation is a function of city or county government in accordance with the state enabling legislation. The current Legislative Council committee is studying alternatives to this arrangement with an eye towards establishing regional transit authorities in the state.

This presentation discusses various models that are used around the country. It is drawn from my experience as the Director of the National Transit Institute at Rutgers, The State University of New Jersey. In my position, I work with transit operators throughout the United States and have learned about the various models used to structure and fund regional transit authorities. As such, I have knowledge about the successes and shortcomings of the various arrangements. Having previously served the public transportation industry in Wisconsin for almost 20 years, I have an understanding of how these various models could be applied in Wisconsin.

For the selected examples, information will be provided on the system's website, the transit service modes operated, the structure of the board, the funding method and any information unique to that system. Not all information will be provided in all cases.

GENERAL COMMENTS

Throughout the country, many transit systems are city and county functions. This is particularly true of systems that operate in medium to small urban areas. In rural settings, the prevalent model seems to be county operation with cooperation between counties in many areas.

In many states, there are multiple models for operating transit authorities. There can be regional transit authorities as well as local government operation within a single state. Even within a single metropolitan area there can be several models. In the Los Angeles area, for example, the Los Angeles County Metropolitan Transportation Authority is the major operator, however it does not cover the entire county. There are several sub-regional systems, Foothills Transit, as well as municipal operators, Culver City and Santa Monica's Big Blue Bus.

What is very clear is that there is no one method that seems to predominate as to how transit authorities are structured, funded and operated. Of course, there are pros and cons to all of these models.

SELECTED EXAMPLES OF REGIONAL TRANSIT AUTHORITIES

What follows is a series of examples of how regional transit authorities operate in various localities. These examples are intended to provide an overview of the various organizational structures and funding methods that are employed. There are various dimensions to the examples presented and they provide a basis for the Legislative Council to discuss possible applications in Wisconsin.

CALIFORNIA—BAY AREA

The situation in the San Francisco Bay Area is unique. There are over 20 transit operators in the region of varying sizes. These operators each have their own governing board and funding sources. They cooperate with each other. To coordinate all of these operators and transportation programs in general, there is a strong metropolitan planning organization (MPO). The MPO controls the distribution of federal and state funds and plays a major role in regional coordination such as the 511 information system and regional smart card fare collection.

The MPO will be described and three of the transit operators will be highlighted. If information is desired for the transit operators not highlighted below, the MPO website has links to these operators.

METROPOLITAN TRANSPORTATION COMMISSION (MTC)

Website: www.mtc.ca.gov

The MTC is not a transit operator. The MTC serves as the MPO for the San Francisco Bay Area.

From the MTC website:

About the Metropolitan Transportation Commission



Created by the state Legislature in 1970 (California Government Code § 66500 et seq.), the Metropolitan Transportation Commission (MTC) is the transportation planning, coordinating and financing agency for the

nine-county San Francisco Bay Area. The Commission's work is guided by a 19-member policy board. Fourteen commissioners are appointed directly by local elected officials (each of the five most populous counties has two representatives, with the board of supervisors selecting one representative, and the mayors of the cities within that county appointing another; the four remaining counties appoint one commissioner to represent both the cities and the board of supervisors). In addition, two members represent regional agencies — the Association of Bay Area Governments and the Bay Conservation and Development Commission. Finally, three nonvoting members have been appointed to represent federal and state transportation agencies and the federal housing department.

Planning for the Next Generation

MTC functions as both the regional transportation planning agency — a state designation — and, for federal purposes, as the region's metropolitan planning organization (MPO). As such, it is responsible for regularly updating the Regional Transportation Plan, a comprehensive blueprint for the development of mass transit, highway, airport, seaport, railroad, bicycle and pedestrian facilities. The Commission also screens requests from local agencies for state and federal grants for transportation projects to determine their compatibility with the plan. Adopted in February 2005, the most recent edition of this long-range plan, known as [Transportation 2030](#), charts a new course for the agency, particularly with regard to promoting "[smart growth](#)" development patterns.

MTC also has played a major role in building regional consensus on where and when to expand the Bay Area Rapid Transit (BART) 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 new agreement features additional rail investment as well as a significant expansion of bus rapid transit and ferry service.

Financing and Monitoring Roles Expand

Over the years, state and federal laws have given MTC an increasingly important role in financing Bay Area transportation improvements. At the federal level, the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA) and its successor, the Transportation Equity Act for the 21st Century, empowered MPOs like MTC to determine the mix of transportation projects best suited to meet their region's needs. MPOs' role in transportation financing was reaffirmed by Congress in 2005 with the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA). To help set priorities for the hundreds of millions of dollars flowing each year to the Bay Area from flexible federal funding programs, MTC convened the [Bay Area Partnership](#), which is made up of some three dozen transportation and environmental agencies with a stake in the region's future.

MTC also administers state moneys, including those provided by the Transportation Development Act. Legislation passed in 1997 gives MTC and other regional transportation planning agencies increased decision-making authority over the selection of state highway projects and allocation of transit expansion funds for the [State Transportation Improvement Program \(STIP\)](#). Also in 1997, the state Legislature transferred to MTC responsibility for administering the base \$1 toll from the Bay Area's seven state-owned toll bridges. A new entity, the [Bay Area Toll Authority \(BATA\)](#) was created for this purpose. BATA also oversees the [Regional Measure 2](#) Traffic Relief Plan, which is funded by a voter-approved \$1 toll hike that went into effect on the region's state-owned toll bridges on July 1, 2004. With the passage of Assembly Bill 144 in 2005, BATA assumed responsibility for administering all toll revenue from the region's state-owned toll bridges. AB 144 also established a Toll Bridge Project Oversight Committee — consisting of BATA's executive director, the director of the state Department of Transportation, and the executive director of the California Transportation Commission — to manage the state Toll Bridge Seismic Retrofit Program, which includes construction of a new east span for the San Francisco-Oakland Bay Bridge.

With the authority over the Bay Area's transportation purse strings has come responsibility for overseeing the efficiency and effectiveness of the region's transportation system. MTC monitors transit operators' budgets, conducts performance audits and adopts a yearly productivity/transit coordination improvement program to ensure that the region's numerous bus, rail and ferry systems are in synch in terms of their routes, fares, transfer policies, schedules, passenger information and facilities.

MTC devotes considerable energy to advocacy efforts in both Sacramento and Washington, D.C., to ensure an adequate flow of funding for the maintenance and expansion of the Bay Area's transportation network.

BAY AREA RAPID TRANSIT (BART)

Website: www.bart.gov

BART operates the regional rapid rail system in the San Francisco Bay Area. It serves Alameda, Contra Costa and San Francisco counties directly through its elected board. It provides service to San Mateo county under an agreement with the San Mateo County Transit District.

BART's history excerpted from the BART website:

In 1951, the State Legislature created the 26-member San Francisco Bay Area Rapid Transit Commission, comprised of representatives from each of the nine counties which touch the Bay. The Commission's charge was to study the Bay Area's long range transportation needs in the context of environmental problems and then recommend the best solution.

The Commission advised, in its final report in 1957, that any transportation plan must be coordinated with the area's total plan for future development. Since no development plan existed, the Commission prepared one itself. The result of their thoroughness is a master plan which did much to bring about coordinated planning in the Bay Area, and which was adopted a decade later by the Association of Bay Area Governments (ABAG).

Acting on the Commission's recommendations, in 1957, the Legislature formed the San Francisco Bay Area Rapid Transit District, comprising the five counties of Alameda, Contra Costa, Marin, San Francisco and San Mateo. At this time, the District was granted a taxing power of five cents per \$100 of assessed valuation. It also had authority to levy property taxes to support a general obligation bond issue, if approved by District voters. The State Legislature lowered the requirement for voter approval from 66 percent to 60 percent.

By midsummer, 1961, the final plan was submitted to the supervisors of the five District counties for approval. San Mateo County Supervisors were cool to the plan. Citing the high costs of a new system - plus adequate existing service from Southern Pacific commuter trains - they voted to withdraw their county from the District in December 1961.

With the District-wide tax base thus weakened by the withdrawal of San Mateo County, Marin County was forced to withdraw in early 1962 because its marginal tax base could not adequately absorb its share of BART's projected cost. Another important factor in Marin's withdrawal was an engineering controversy over the feasibility of carrying trains across the Golden Gate Bridge.

BART had started with a 16-member governing Board of Directors apportioned on county population size: four from Alameda and San Francisco Counties, three from Contra Costa and San Mateo, and two from Marin. When the District was reduced to three counties, the Board was reduced to 11 members: four from San Francisco and Alameda, and three from Contra Costa. Subsequently, in 1965, the District's

enabling legislation was changed to apportion the BART Board with four Directors from each county, thus giving Contra Costa its fourth member on a 12-person Board. Two directors from each county, hence forth, were appointed by the County Board of Supervisors. The other two directors were appointed by committees of mayors of each county (with the exception of the City and County of San Francisco, whose sole mayor made these appointments).

The current structure of the BART board is 9 members elected by district from the 3 counties which formed the original organization.

BART is funded by its initial property tax. It also receives sales tax funding.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Website: www.goldengate.org

The district operates bus and ferry service as well as the Golden Gate Bridge.

The Golden Gate board structure as described on their website.

The Board of Directors of the Golden Gate Bridge, Highway and Transportation District is comprised of 19 members, representing 6 counties, as follows:

- **City and County of San Francisco (9 Directors):** 1 Director is appointed by the Mayor, 4 Directors are elected members of the Board of Supervisors, and 4 Directors are non-elected public members appointed by the Board of Supervisors;
- **County of Marin (4 Directors):** 2 Directors are elected members of the Board of Supervisors, 1 Director is an elected member of the Council of Mayors and Councilmembers and is appointed by the Board of Supervisors, and 1 Director is a non-elected, public member appointed by the Board of Supervisors;
- **County of Sonoma (3 Directors):** 1 Director is an elected member of the Board of Supervisors, 1 Director is an elected member of the Council of Mayors and Councilmembers and is appointed by the Board of Supervisors and 1 Director is a non-elected, public member appointed by the Board of Supervisors;
- **County of Napa (1 Director):** the Director is a non-elected, public member appointed by the Board of Supervisors;
- **County of Mendocino (1 Director):** the Director is a non-elected, public member appointed by the Board of Supervisors; and,
- **County of Del Norte (1 Director):** the Director is a non-elected, public member appointed by the Board of Supervisors.

Directors are paid \$50 per meeting day, up to a maximum of \$5,000 in a year. The one exception is the President of the Board who, as an ex-officio member of all committees, may be paid a maximum of \$7,500 in one year.

This is the only example that was found where there is a paid board of directors directly noted on the transit system's website.

50% of bus and ferry expenses are funded from surplus bridge toll revenue.

SAN MATEO COUNTY TRANSIT DISTRICT (SAMTRANS)

Website: www.samtrans.com

SAMTRANS operates the bus system that serves the residents of San Mateo county.

SAMTRANS is also the administrative agency for the San Mateo County Transportation Authority (SMCTA). The SMCTA is the agency which receives the ½ cent sales tax in the county for various transportation projects; highways as well as transit. The tax is scheduled to expire on December 31, 2008.

SAMTRANS also is the administrator of the Caltrain system that operates under a joint powers agreement between San Francisco, San Mateo and Santa Clara counties.

The SAMTRANS board is composed of nine members as follows:

- ❑ Two from the county Board of Supervisors
- ❑ One transportation expert appointed by the Board of Supervisors
- ❑ Three city council members appointed by the Cities Selection Committee and representing a judicial district in the county
- ❑ Three public members, one of whom must reside on the coast side appointed by the above six members.

COLORADO

REGIONAL TRANSPORTATION DISTRICT (RTD)

Website: www.rtd-denver.com

The RTD operates bus and light rail. There is a requirement by the Colorado Legislature that a portion of the RTD's service be competitively bid.

The RTD serves the Denver area and was created as a political subdivision of the State of Colorado effective July 1969 “to develop, maintain, and operate a public mass transportation system for the benefit of the inhabitants of the District.

There are 15 board members elected by district.

The District was initially funded by a sales tax of 0.6%. This was increased by the District voters to 1% to provide for construction of the FasTracks program which will expand the light rail operations and develop commuter rail options. One feature of the sale tax collection is a 3% discount for timely payment of sales tax revenues by vendors that collect the tax.

ILLINOIS

GREATER PEORIA MASS TRANSIT DISTRICT (CITILINK)

Website: www.ridecitylink.org

Citilink is a bus only system. The district operates in the City of Peoria, the City of West Peoria and the Village of Peoria Heights.

The board is composed of 5 members. The mayor of each of the three jurisdictions appoints one member for each 100,000 or portion thereof.

There is voter approval of the tax that funds the system.

INDIANA

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION (CITY BUS)

Website: www.gocitybus.com

This is a bus only operation in a city that has a major university.

There are 7 members appointed by mayors and councils of Lafayette and West Lafayette.

The taxing district is larger than the service area and includes suburban areas in Tippecanoe County.

MASSACHUSETTS

WORCESTER REGIONAL TRANSIT AUTHORITY (WRTA)

Website: www.therta.com

This is a bus only operation in a state that has a strong state funding role. Commuter rail service is provided in a portion of the WRTA service area. However, it is operated by the Massachusetts Bay Transportation Authority (MBTA).

The WRTA was created in 1974 and is a political subdivision of the Commonwealth of Massachusetts.

The Advisory Board is composed of 14 members appointed by the City Manager or Mayor of Worcester or the Chair of Board of Selectmen or Town Manager of each town that are members of the WRTA.

The operations of the transit system, in accordance with Massachusetts law, are contracted to a private operator. Commonwealth law provides that only MBTA transit staff, which serves the greater Boston area, may be public employees.

The Advisory Board is composed of 14 members appointed by the City Manager or Mayor of Worcester or the Chair of Board of Selectmen or the Town Manager of each town that are members of the WRTA.

The day-to-day affairs of the WRTA are overseen by an Administrator appointed by the Advisory Board (board of directors).

The Commonwealth provides a very large share of the operating expense; up to 75% of the net cost of service. The member towns that are served by WRTA buses are assessed an amount based on the number of miles of service provided. Increases are capped at 2.5% per year. Paratransit expenses are assessed based on the number of trips provided.

MICHIGAN

METRO TRANSIT

Website: <http://www.kalamazoocity.org/portal/metro.php>

This is a fixed route bus system. Metro Transit serves Kalamazoo and 5 surrounding towns, plus 2 colleges.

The Board of Directors consists of 7 members appointed by the Kalamazoo mayor confirmed by council.

The funding from the City of Kalamazoo is based on property tax millage that is renewable on a 3 year cycle.

CAPITAL AREA TRANSPORTATION AUTHORITY (CATA)

Website: www.cata.org

CATA is a bus system. In recent years, CATA entered into an agreement with Michigan State University (MSU) that merged MSU's bus system with CATA. CATA also expanded service by asking voters to increase and extend the property tax millage that funds the system.

The Board of Directors consists of 10 members appointed by member towns. MSU and Ingham County have non-voting representation

NEBRASKA

METRO AREA TRANSIT (MAT)

Website: www.metroareatransit.com

This is a bus only operation.

MAT was created in 1972. There are 5 board members appointed by the Omaha mayor and confirmed by council

The funding for the transit operation is provided by a tax levy on all tangible and real personal property in the City of Omaha.

MAT has contracts to provide bus service outside of the City of Omaha. However, the tax levy collected within the City of Omaha cannot be used to offset expenses for services operated outside of Omaha.

NEW YORK

CAPITAL DISTRICT TRANSPORTATION AUTHORITY (CDTA)

Website: www.cdta.org

This is a bus system. CDTA also operates the rail station in Rensselaer.

There is a 9 member board appointed by the governor and confirmed by Senate. Three are from Albany County and 2 each from Rensselaer, Saratoga and Schenectady counties.

Funding for the transit operation is provided by two sources. The first is a gross receipts tax on oil and gas companies levied by New York State. The second is a mortgage recording tax assessed on mortgages granted within the authority's district.

NORTH CAROLINA

CHARLOTTE AREA TRANSIT SYSTEM (CATS)

Website: <http://www.charmeck.org/Departments/CATS/Home.htm>

CATS operates bus service and inaugurated light rail service in November 2007.

The system operates under a unique structure. From the CATS website:

Long-term development planning of the Charlotte Area Transit System (CATS) as a regional system is based on the July 1998 "2025 Integrated Transit/Land-Use Plan for Charlotte-Mecklenburg", created by the City and County, with significant participation by the six suburban Towns (Davidson, Huntersville, Cornelius, Pineville, Matthews, and Mint Hill). In November 1998, the citizens of Mecklenburg County approved the levy of a one-half cent sales tax to be used to finance public transportation systems. A Transit Governance Interlocal Agreement was negotiated and then signed in February 1999 between the County, the City and the six Towns. The Interlocal Agreement defines the relationships and mechanisms which guide the planning, financing and implementation of the [2025 Transit/Land-Use Plan](#).

The 2025 Plan and the Interlocal Agreement call for the involved local governments to share responsibility and accountability for regional transit services under five guiding principles:

- Coordinated transit operations on a countywide basis;
- Elected bodies to retain the responsibility of approving long-range transit planning and implementation;
- Public involvement;
- Representation of Town interests; and
- Flexibility and expandability to allow for integration of areas outside the County.

In order to facilitate fulfillment of the 2025 Plan in accordance with these guiding principles, the Interlocal Agreement mandated the establishment of a policy

board, the **Metropolitan Transit Commission (MTC)**. The MTC is composed of the mayors and managers of the City, the County and the Towns; and includes five non-voting members representing local governments outside Mecklenburg County to ensure regional involvement, and one non-voting member each from the North Carolina and South Carolina Departments of Transportation. The MTC has responsibility for reviewing and recommending all long-range public transportation plans. It is staffed by the City of Charlotte Public Transit Department, and sets policy for transit planning and decision-making. The MTC reviews the transit system's operating and capital programs, and makes recommendations to the affected governments for their approval and funding of those programs. The MTC is a public body, and in addition to holding monthly public meetings, it conducts public involvement programs designed to gain community input on transit planning.

The MTC serves as the board of directors for CATS with representation from the City of Charlotte, Mecklenburg County, 6 towns and the NC Board of Transportation. There is non-voting representation

CATS is managed under the interlocal agreement by the Public Transportation Department housed within the City of Charlotte. The Director of CATS, however, is hired by and reports to the MTC.

The bus service is operated privately under contract.

OHIO

SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY

Website: www.go-metro.com

This is a bus only operation.

The primary funding for the operation is provided by a 3/10 of 1% of earnings tax collected by the City of Cincinnati on everyone who lives and works in the city.

The Board of Directors consists of 9 members appointed by Hamilton County Commissioners. Four members are recommended by the Cincinnati City Council.

OREGON

LANE TRANSIT DISTRICT

Website: www.ltd.org

This is a bus only operation in the Eugene-Springfield area. They just opened for the first exclusive right of way bus rapid transit systems in a medium sized urban area in the US and the first in a medium size city.

The Board of Directors is composed of 7 members from specific districts within the service area who are appointed by the governor and confirmed by the Senate.

The primary funding for the District is provided by a .0064% payroll tax on wages paid by an employer and the net earnings from self-employment. This amounts to \$6.40 per \$1,000 of wages.

CHERRIOTS—SALEM-KEIZER TRANSIT

Website: www.cherriots.org

Cherriots provide bus service in a smaller urban area.

The Board is composed of 7 members who are elected by district.

A property tax levy approved by voters provides the primary funding source.

PENNSYLVANIA

Website:

<http://www.dot.state.pa.us/Internet/Bureaus/pdBPT.nsf/TransHomepage?openFrameset>

The Commonwealth of Pennsylvania provides strong state funding and oversight of public transit. It has 2 large operators, many small to medium urban area systems and a large number of rural systems. In many respects, it is parallel to Wisconsin.

In 2007, the Legislature passed Act 44 which restructured and increased funding for transportation. This created the Public Transportation Trust Fund (PTTF) that funds transit operating, capital and statewide transit programs. PTTF revenue in 2008 will amount to \$1.08 billion funded as follows:

1. \$392.8 million from the Pennsylvania sales tax (4.4% of the sales tax).
2. \$80 million from the Lottery fund for Free Transit for Senior citizens Program.
3. \$125 million in state bond funding for capital projects.
4. Pennsylvania Public Transit Assistance Funding of \$180 million
5. \$250 million in operating and \$50 million for capital from the annual payments by the Turnpike Commission.

The local match requirement for operating assistance is 15%.

The local match requirement for capital programs is 3 1/3%.

The local match is generated from revenues generated by local municipalities or counties.

The program provides performance incentives to remain eligible for the funding and to receive funding increase.

The following two Pennsylvania transit systems are highlighted with regard to their board structures.

CAPITAL AREA TRANSIT (Cumberland-Dauphin-Harrisburg Transit Authority)

Website: www.cattransit.com

This is bus only system.

The board is composed of 6 members appointed as follows: 2 each from the City of Harrisburg, Cumberland County and Dauphin County.

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)

Website: www.septa.org

SEPTA is a multimodal operator serving the 5 Pennsylvania counties in the Philadelphia metropolitan area. SEPTA operates bus, trolley, subway-elevated, light rail, trolleybus, and commuter rail. The City of Philadelphia owns certain assets that SEPTA operates.

The board is composed of 10 members. One member is appointed from each of the 5 counties (Bucks, Chester, Delaware, Montgomery and Philadelphia). The

governor appoints one member. The Senate and House majority and minority leaders each appoint one member.

TEXAS

Texas is a state in which the enabling legislation for transit authorities varies. Three examples, all major urban areas, are cited.

CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY (Capital Metro)

Website: www.capmetro.org

Capital Metro operates the transit service in the greater Austin area and operates buses including the bus service for the University of Texas. It will inaugurate commuter rail service later this year.

The Board of Directors consists of 7 members appointed as follows:

- ❑ 2 from the Austin City Council
- ❑ 1 from the Travis County board
- ❑ 1 suburban mayoral representative
- ❑ 1 from the Williamson County board
- ❑ 2 from Capital Area Metropolitan Planning Organization

Funding for the Authority is provided by a 1% sales tax. The initial commuter rail line was constructed without federal funds relying on the local sales tax. The local sales tax has generated sufficient revenue to keep fares low. The base fare is 50 cents.

DALLAS AREA RAPID TRANSIT (DART)

Website: www.dart.org

DART operates bus and light rail primarily in Dallas County. It operates commuter rail service under a joint operating agreement with the Fort Worth Transportation Authority.

DART is made up of 13 member cities whose citizens voted to join DART. The Board of Directors is comprised of 15 board members based on population. 8 members are from the City of Dallas and 7 from the remaining member cities.

DART is funded by a 1% sales tax. They are undertaking an aggressive expansion of their light rail system; doubling its size in the next 8 years.

METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS

Website: www.ridemetro.org

Metro operates bus and light rail service. It has an extensive commuter bus network. In addition, Metro funds some of the construction of major arterials and freeways especially high capacity lanes. Metro also operates the regions traffic control center; Transtar.

The Authority has a 9 member Board of Directors. 5 members are from the City of Houston, 2 from the other 14 member cities in the service area and 2 from Harris County.

Funding is provided by a 1% sales tax.

WASHINGTON

SPOKANE TRANSIT AUTHORITY

Website: www.spokanetransit.com

There are 9 members who serve as the Board of Directors. They are elected officials for jurisdictions that make up the Public transportation Benefit Area.

Funding for the Authority is provided by a sales tax.

KEY OBSERVATIONS

BOARD MEMBERSHIP

With regard to board membership, it appears the board composition is not always reflective of the population or transit usage of member cities and towns. SEPTA, in the Philadelphia area, is a key example of this. According to the 2000 Census, the City and County of Philadelphia accounted for approximately 39.4% of the service area population. Yet, its representation on the SEPTA Board is only 10%; one seat out of 10.

Elected boards are the exception. They are found in the western United States.

Elected representatives are very common on transit authority boards. Even when an elected representative is not specified as a requirement of board membership, elected representatives routinely fill transit board seats.

FUNDING

Multiple funding sources exist. While sales taxes are very common to fund transit, a variety of other schemes exist.

The funding that is generated can be unpredictable based on the economy. This is particularly true of sales and income taxes. If consumer spending falls, sales taxes decrease. Likewise, if unemployment rises, income taxes may fall.

Renewal of funding mechanisms can be both a carrot and a stick. The carrot is that the transit authority must operate efficiently and wisely expend its public funding. The stick is that renewal could fail because the timing is off. For example, given our current economic climate, voters may not be willing to extend a tax even though it is not increasing.

FUNDING MAJOR PROJECTS

Most regional transit authorities have a charge that allows them to build, operate and maintain a multimodal transit system. Some, however, require voter approval to construct major projects.

What occurs in most cases, however, is that additional local funding is needed to build the expanded system. This requires the authority to seek voter approval. In some cases the approval could be to increase borrowing authority (DART), provide increased funding (CATS) or to even restructure the transit operation (Miami, which was not presented as an example in this report and is not a good example). The increased funding is usually needed because the federal funding percentages for major projects are low. It should be noted that this is generally the case where the state role is not significant and transit is more of a local function.

WISCONSIN ISSUES

In developing its recommendations, there are several issues that the Legislative Council should consider. These are a result of the research that was conducted for this presentation and my experience in Wisconsin.

MPO REPRESENTATION

The Wisconsin Regional Planning Commissions (RPC's) serve as the metropolitan planning organizations for transportation. Right now, since transit operations are functions of city or county government, the transit system is represented on the RPC by the city or county government that owns the system.

If a regional transit authority is formed independent of city or county government, transit will lose its seat at the table.

In simplest terms, the federal transportation law does not require an MPO (RPC in this case) to reconstitute its membership unless the MPO is reconstituted.

In order for transit to be fairly represented in the distribution of federal transportation funds, it will need a seat at the MPO/RPC table.

LABOR ISSUES

Where transit staff is public sector, they are governed by Wisconsin public employment laws and subject to the Wisconsin Employment Relations Commission. In particular, the impact of Wisconsin's "Mediation/Arbitration" law should be considered. A regional transit authority will, in all probability, be an independent unit of government. If this is the case, what will be the benchmarks that will apply in these matters? If this is not addressed, this could become the subject of protracted contention in the future.

FUNDING

One of the issues that needs to be considered when developing a funding source is allowing for growth in the future. The funding source needs to grow at a pace that is consistent with the rate of growth in expenses. It also needs to be able to withstand economic vagaries.

Many of the systems that have been highlighted in this presentation are located in states that have high population and economic growth. Wisconsin's growth rate is such that the growth of tax revenues may very well not keep pace with cost growth. This needs to be considered.

One of the parts of the transit funding equation that is often overlooked is fares. They are an important part of the funding package, however, their interaction in the overall budget is greatly misunderstood. If fare revenues and expenses rise at the same rate, the operating deficit, and the need for funding, will increase. This is why a predictable funding source needs to be created.

STATE ROLE

Wisconsin has played an important role in funding public transportation operations. It is among a handful of states (outside of states with statewide transit operations) that provides a significant funding role. What will the

continued state role in funding if regional transportation authorities are created?
What will the state's oversight role be?

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