

SWTA AUTHORIZATION TASK FORCE RECOMMENDATIONS

Revised as of 5/1/08

BACKGROUND:

The South West Transit Association (SWTA) is an 8-state Association of transit providers and those who supply goods and services to the transit industry. The states represented are Arkansas, Arizona, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, and Texas. The Association has been a vital and active participant in the transit industry for 28 years.

The SWTA Authorization task force was formed to address the requests of SWTA members in pursuit of a balanced reauthorization proposal representative of the entire transit industry. The proposal highlights the concerns of the region regarding the future of the transit industry, but can be applied nationally. SWTA's reauthorization proposal centers around four themes: 1) Increasing Investment in the Program; 2) Streamlining Transit Program Delivery; 3) Maintaining Existing Equipment and Infrastructure Needs 4) and Revising Population Figure Timetables.

The Task Force team is a very diverse group. Representatives from rural, small and large transit systems, business members and transit professionals met to create the following set of general Principles and specific proposals for change.

Tom Jasien, Houston, METRO, Chair

Reba Malone, Reba Malone & Associates, Vice-Chair

Participants:

Fred Gilliam, Capital
METRO

Charla Sloan, KIBOIS

Betty Wineland, Central
Arkansas Transit Authority

Pat Judge, New Orleans
RTA and LPTA
representative

Dick Ruddell, Fort Worth
Transportation Authority

Rick Simonetta, Valley
METRO Rail and AzTA
representative

John Hedrick, Denton
County Transportation
Authority

Frank Wilson, Houston
METRO

John Wilson, CITIBUS

Ben Herr, Texas Transit
Association

Ann Gilbert, Arkansas
Transit Association

Steve Lalli, Oklahoma
Transit Association

Tuck Duncan, Kansas Public
Transportation Association

Bruce Rizzieri, New Mexico
Transportation Association

Keith Jones, URS
Corporation

Sherry Ellebracht, Denver
RTA

Monique Pegues, Fort
Worth Transportation
Authority

Linda Cherrington, Texas
Transportation Institute

Ricardo Sanchez, Corpus
Christi RTA

Andrea Lofye, Capital
METRO

Ken LaRue, Oklahoma DOT

PURPOSE:

The SWTA reauthorization task force is proposing the following key principles as priorities for not only members of SWTA but also the entire transit industry. The principles identified are intended to offer solutions for improved public transportation while maintaining existing equipment and infrastructure needs throughout the nation. To address these issues, SWTA has adopted the following principles

PRINCIPLE #1 NATIONAL TRANSIT GROWTH FUND

“Creating New Program Funding”

We believe in a national commitment to a vital and dynamic public transportation system. We also believe this cannot be accomplished at the current level of funding and requires additional funding in order to address growing national transit demands.

The Case

- ♦ Everyone recognizes the vast needs of densely populated areas with mature transit systems. In order for these systems to continue to support the economic and security goals of our Nation, funding to these areas should not be diminished.
- ♦ An immediate need, that could become a crisis, involves transit systems in areas that encompass larger geographic boundaries with rapidly growing populations. There are approximately 11 high-growth states that fall into this category. The transit systems in these states need a way to create a more sustainable growth pattern for their area, promoting good stewardship of the environment and creating health for the economy.
- ♦ An additional 22 states, with growing populations, are in desperate need to maintain the services they are providing. Systems in this category with growing unmet needs are in danger of cutting services to their communities and running vehicles 10+ years past their serviceable lifespan.

The Proposal

To address the increasing unmet needs of growing states, we are proposing a **National Transit Growth Fund**. The National Transit Growth Fund (NTGF) would be separate and apart from any existing funding source and would not reduce funding for other programs.

The NTGF would be implemented in phases, with funding distributed to the established designated recipients in each state.

The following percentages are based on the portion states currently receive from the Mass Transit Account. This figure is being used as a baseline guide only.

Phase 1 would bring all states not already at a funding level of 75% up to that level. This would immediately improve service in rural areas, increase the ability to provide better access to jobs, and to health services for an aging population. This phase would impact 28 states.

Phases 2, 3 and 4 would increase the percentages to 80%, 90%, then 100% respectively. Each phase would add states not already at the baseline level to improve service across all service areas, increase the ability to provide better access to jobs and to health services for an aging population. By the end of phase 4, all 50 states would realize the amount of money they are contributing to the total fund, back to their own state.

The total impact of phased-in cost of the proposal is as follows:

Phase	States Affected	Total Cost
Phase 1 – 75%	28	\$382M
Phase 2 – 80%	30	\$504M
Phase 3 – 90%	31	\$766M
Phase 4 – 100%	35	\$1.06B

PRINCIPLE #2 SECTION 5309 BUS AND BUS FACILITIES FUNDING DISTRIBUTION

There is a growing understanding in the industry that the Section 5309 Bus and Bus-Related Facilities Allocation money is not being distributed in a way that meets the industry's needs. One logical approach is to separate the Section 5309 Bus and Bus-Related Facilities Allocation funding into two separate pots and distribute each differently. Half could be distributed by formula and Congressional earmarks could distribute the other half. Much of the Section 5309 Bus and Bus-Related Facilities Allocation funding is used for bus and bus replacement purchases which are more predictable and more fundable with a formula distribution of funds based on the population of a district. The remainder is used for bus facilities, which are lumpier and often need a larger allocation than would be available from a formula distribution of funds even if saved up for a 3 or 4-year period. This could be used to justify distributing the money in different ways.

The Case

- ♦ Transit systems have been living with the distribution of Bus and Bus-Related Facilities Capital discretionary funds by Congressional Earmarking for many years. The 100% reliance on earmarks has left many systems without a predictable time frame in which to replace buses.
- ♦ The 2007 distribution of 5309 funds to a few programs unrelated to Bus and Bus Related Capital left most of the Nation's transit systems without a way to fund new buses or replace buses, some in excess of 20 years far beyond their useful life!
- ♦ Currently, bigger projects necessary for growth cannot be funded in the 3 year timeframe. A longer time frame to save up the annual distribution of funds would produce growth programs.

The Proposal

We are proposing that the Section 5309 Bus and Bus-Related Facilities Allocation be distributed half by formula and half by earmarks. The State DOT's should be given the flexibility within the small urban and rural programs to distribute the money as needed instead of using a percentage system. Many states with a higher percentage of rural systems lose when money has been provided for large urbanized areas and that type system does not exist within their state.

The formula distribution of Section 5309 Bus and Bus-Related Facilities Allocation funding could work as follows:

- Half of the 5309 Bus Capital and Facilities money would be distributed by formula and half by Congressional earmarks.
- The half distributed by formula could be used for new buses, bus replacements and other support vehicles. The half distributed by Congressional earmarks could be better used for facilities and larger projects than bus purchases.
- The half that is distributed by formula would remain Section 5309 and not part of the Section 5307 formula section.
- The 5309 Bus Capital funds would not be eligible for paratransit operations or preventive maintenance funding.
- The 5309 Bus Capital funds could be retained for 4 years instead of the current 3 years before they lapsed.

PRINCIPLE #3 STREAMLINING TRANSIT PROGRAM DELIVERY

We believe in streamlining transit program delivery through simpler funding mechanisms.

The Case

- ♦ Bureaucracy and red tape stand in the way of transit systems having access to funds needed to improve service.
- ♦ According to the FTA, the average project-development period for a New Starts project is in excess of 10 years.

The Proposal

We are proposing that the “Mother-May-I” approach to funding be removed and replaced with a Cost Reimbursement plan. We are also proposing general reform and streamlining of review requirements. This will decrease excess delays and project costs, saving the New Starts program hundreds of thousands of dollars.

PRINCIPLE #4 CAPTURING TRANSIT INVESTMENT SOURCES

We believe in capturing the value of other transit investments.

The Case

- ♦ Currently only certain investments and expenditures can be counted toward Federal Program Match. This nullifies the efforts by transit systems to build partnerships within the community and use all available resources to provide the best transit system for the community.

The Proposal

We are proposing that a Soft Match Credit be put into place that will allow other transportation infrastructure investments and expenditures count toward the Federal Match.

PRINCIPLE #5 CMAQ PROGRAM EXPANSION

We believe in transit being a major part of the environmental solution.

The Case

- ♦ Due to recent changes in the CMAQ requirements, cities that have high automobile emissions are on the verge of moving to a non-attainment status.
- ♦ CMAQ funds are currently only for cities in non-attainment.

The Proposal

We are proposing, as a preemptive measure, that cities on the verge of moving to non-attainment status as a result of high automobile emissions also be eligible to receive CMAP funds in order to make corrections and maintain their current attainment status. The additional CMAQ funds would be better utilized to prevent cities from entering non-attainment status than more costly remediation with CMAQ money once the cities are out of compliance with federal law. Appropriate criteria should be established to determine qualification for funding before non-attainment status is reached so that the needs of the critical areas currently in non-attainment are met as well.

PRINCIPLE #6 RELEVANT POPULATION DATA

We believe in using relevant population data as an input into the formula funds distribution process.

The Case

- ♦ Federal Transportation Formula Programs are based on the population figures from the most recent 10 year census for an Urbanized Area. While national, state and county population figures are projected on a yearly basis, the Urbanized Areas must count only the data collected from the year 2000 even though an area may be experiencing explosive growth.

This procedure places Growth Cities and growing communities at a financial disadvantage. SAFETEA-LU transit funding distributions are based on the 2000 Census and it is extremely probable that transit funding distributions in the next reauthorization bill will also be based on the 2000 Census.

Reauthorization will be developed and approved before Census population numbers are available. This

means that growing communities that need funding for expanded transit service would have their transit formula funds based on a population figure that is 12 years out of date.

The Proposal

Create a technical adjustment that will allow updating of the US Census bureau percent of growth figures to be calculated on an annual basis in the Urbanized Areas.

PRINCIPLE #7 100 BUS COALITION

We believe in finding creative funding solutions and ideas to support transit across all fifty states.

The Proposal

SWTA lends support to the 100 Bus Coalition.

Transit Systems operating in urbanized areas over 200,000 in population and operate less than 100 peak fixed-route buses (over 130 transit systems) would retain flexibility in the use of federal operating funds.

The use of the 100 bus definition is consistent with FTA's NTD reporting breakout and APTA's definition of a small transit system.