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Characteristics of State Funding for Public Transportation—2002

This digest summarizes the results of TCRP Project J-6/Task 46. It provides information on the nature and magnitude of FY 2002 state transit funding for 46 states and the District of Columbia in an easy-to-read graphic format. The information includes state transit funding sources and amounts, programs, eligible uses and allocation, and per capita state transit funding. The digest also includes an overview of the results of 28 transit-related state and local ballot initiatives held in 2002. The digest was prepared by Cambridge Systematics, Inc. Robert G. Stanley served as principal investigator.

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1.0 Introduction

■ Background

While data on *federal* funding of transit have been gathered and made available annually by the Federal Transit Administration (FTA), historical information on the nature and magnitude of *state* and *local* funding sources has been much less consistent and readily attainable. In response to this knowledge gap, the American Public Transportation Association (APTA) and the American Association of State Highway and Transportation Officials (AASHTO) requested the Transit Cooperative Research Program's (TCRP's) support to develop information on state transit funding programs. The underpinning effort to assemble information on state transit funding began in 1996 with a survey of eight states. In 1999, the study was expanded to include 15 additional states, bringing the total to 23 surveyed states. Finally, in 2002, the 23 states included in the 1996 and 1999 studies were resurveyed, and the remaining 27 states and the District of Columbia were added to the survey for the first time. Each state was invited to share basic funding information and any noteworthy arrangements or historical facts relating to its role in transit funding. It is envisioned that the comprehensive nature of this study, if continued in subsequent years, will provide a richer historical perspective on state funding as a key component of the overall transit funding picture nationwide. Toward this end, a total of 46 states and the District of Columbia provided information for the fiscal year (FY) 2002 survey, generating a response rate of 92 percent.

■ Methodology

Initial Round: Request for Updated Funding Information

An introductory letter that explained the information-gathering effort for FY 2002 was mailed, along with a copy of the most recent state transit funding report (covering material assembled in 1999), to all 50 states and the District of Columbia. Twenty-three states (hereafter referred to as “original” or “previously surveyed” states) were already familiar with the design, format, and content of this project from previous survey efforts, while the remaining 27 states and the District of Columbia (hereafter referred to as “new” or “newly surveyed” states) became acquainted with the study for the first time. All states were asked to use the 1999 report as a “template” for providing current input.

At least one person from each state was contacted by phone and requested to either (1) make revisions to the funding data provided in the prior reporting period for that state or (2) provide the necessary background information from which an illustrative diagram and key points could be constructed as bulleted highlights. The following basic information was solicited from each respondent, and the relationship among these factors for each state was illustrated graphically and in text form:

- *Sources of funds.* What state taxes or revenues are being used to support transit?
- *Nature of programs.* What is the focus of discrete funding programs?
- *Amounts of funding.* What amounts are being contributed from which sources?
- *Eligible uses of funds.* For what purposes are funds provided?
- *Allocation mechanisms.* What factors are used in allocating funds to what recipients?

Second Round: Follow-up and Verification of Received Information

Respondents who did not provide any information during the initial “information revision” (for previously surveyed states) or “gathering” round (for newly surveyed states) were contacted again primarily by phone and, to a lesser extent, by fax or e-mail. Each respondent who provided information received, by mail, a one-page diagram that showcased the mechanics of that state’s unique funding arrangements, an additional one-page summary of key funding characteristics or historical facts, a “check-off” sheet to verify the accuracy of recorded information, and a stamped return envelope for ease of transmitting feedback, corrections, or additional noteworthy information. Each respondent was asked to send corrections, if applicable, within 1 week of the posting date of the letter. Respondent corrections and clarifications were incorporated into the document, culminating in a national profile of state transit funding.

■ Report Contents and Organization

The bulk of this report presents major details of current funding programs in FY 2002 for each state using the identical two-page diagram and bullet point format developed in the initial study. The summary highlights are presented on two levels based on data availability for different respondents. *Historical comparisons* across factors such as total funding, per capita funding, fund sources, and allocation mechanisms are made only for the 23 states that have been surveyed in the past. Only the most recent reporting year—1999—is used to make such comparisons, because only 8 of the 23 previously surveyed states have

reported data for 1996. Meanwhile, *general observations* on state funding attributes are made for all states using the current report year (FY 2002).¹

In addition to information gleaned from the state funding summaries, this digest also contains profiles of 28 transit-related ballot initiatives in 2002, tracking results at the state and local level. For each initiative, this digest details taxes proposed, the intended uses of the funds, and the results of the various elections.

This brief report is organized into four sections. Following this introductory section, Section 2.0 contains state transit program details for all states using a two-page diagram and text format, including funding sources and amounts, allocation mechanisms, and program descriptions. Section 3.0 presents highlights from reported information for both original and newly surveyed states and the District of Columbia. Section 4.0 presents a summary of results from a subset of recent *state and local ballot initiatives* aimed to increase funding for transit.

¹ A few states reported funding information for FY 2003, in lieu of FY 2002, in cases when FY 2002 was an unusually unrepresentative year (for instance, due to a discontinuation and replacement of one funding source for another).

2.0 State Transit Program Details

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Alabama State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State General Fund	5310 State Administration	\$25,000	Matches federal funds for the management and administration of Section 5310 Elderly and Persons with Disabilities Program.
	5313 State Administration	\$35,000	Matches federal funds for the management and administration of Section 5313 Transit Planning, Research, and Technical Assistance Program.

■ **Alabama State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$60,000, or \$0.013 per capita.
- The state does not provide a match for federal dollars received under Sections 5307, 5309, and 5311. The match for federal funding for these programs is provided solely by local sources.
- Some state funds provide a partial match for federal funding for Sections 5310 and 5313.

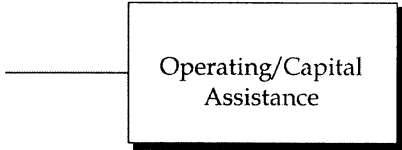
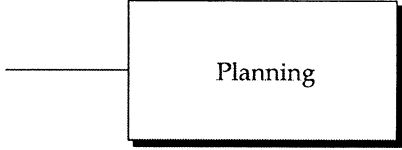
Alaska State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>No state funding provided for transit in FY 2002.</p>			

■ **Alaska State Transit Funding: Major Features**

- The state does not provide funding for transit.

Arizona State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State Lottery		\$1.5 million	ADOT distributes lottery funds to rural or small urban transit providers based on an extensive application and interview process. Funds may be used for any transit-related program subject to approval by ADOT.
State General Fund		\$0.06 million	Can be used by transit providers to match federal 5313 planning funds.

■ **Arizona State Transit Funding: Major Features**

- Total state transit funding declined from \$2.59 million in FY 2000 to \$1.56 million in FY 2002, or from approximately \$0.50 to \$0.35 per capita. The decline was largely due to the loss of vehicle license tax funds for transit. Although transit was eligible for these funds in FY 2002, it did not receive any. In FY 2003, transit will not be eligible for these funds.
- Approximately \$1.5 million from the state lottery can be used by rural and small urban transit providers for any purpose, including matching federal funds.
- ADOT passed through federal dollars to local transit agencies for Sections 5303 (planning), 5307 (small urban), 5310 (elderly and disabled), 5311 (rural), and 5313 (planning).
- Approximately \$60,000 in state general funds were provided to the match for federal funding for Section 5313 (transit planning).

Arkansas State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Rental Car Tax (\$2.85 million)	Urban	\$0.9 million	Capital match and operating assistance for urban systems.
	Rural	\$1.0 million	Capital match and operating assistance for rural systems.
	5310 Capital Grants	\$0.9 million	Capital grants for 5310 elderly and disabled programs.

■ **Arkansas State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$2.85 million, or about \$1.05 per capita.
- Transit funding comes from a dedicated source generated by a tax on rental cars. This funding began in FY 2002 and remained constant in FY 2003.
- The funds are used both for capital match and operating assistance for urban and rural transit systems and for expanding Arkansas's 5310 capital grant program.

California State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
1/4 cent of 7.25% Retail Sales Tax	Transportation Development Act		
	Local Transportation Fund	\$1.1 billion	Collected by the State; returned to county of origin. Apportioned by population within counties. Supports local transit-capital or operations.
	State Transit Assistance Fund	\$98 million	Allocated to operators by regional planning agencies based on population, prior year fares, and local revenues. Supports local transit-capital or operations.
Public Transportation Account (Gasoline and Diesel Sales Tax)	Waterborne Ferry Projects	\$3.0 million	Supports waterborne ferry projects.
Traffic Congestion Relief Fund (General Funds)	Traffic Congestion Relief Program	\$574 million	Eligible capital projects identified in the governor's budget to ease congestion and enhance connectivity between modes.
State Highway Account (Fuel Users Tax and Weight Fees)	State Transportation Improvement Program	\$77 million	Of the amount available for programming, 75% is allocated to counties by population, and 25% is retained by the State for interregional improvements. Capital projects only.
Clean Air and Transportation Improvement Act (Bond Funds)	Proposition 116 Program	\$187 million	Discretionary capital grants to local transportation agencies and jurisdictions for rail and fixed-guideway projects. Project approval by California Transportation Commission.

■ California State Transit Funding: Major Features

- Total state transit funding increased from approximately \$1.1 billion in FY 2000 to \$2.1 billion in FY 2002. This translates to a rise in per capita funding from approximately \$34 to nearly \$62.
- State funding supports the full spectrum of transit needs—capital, operations, and planning.
- The primary source of state transit funding continued to be revenues from the ¼ cent of the 7¼ percent retail sales tax flowing through the local transportation fund established by the Transportation Development Act (TDA). Revenues are collected by the state and returned to each county according to the amount that was collected in that county (as a result, they are often characterized as “local” rather than state funds).
- State gasoline and diesel sales taxes also flow to transit through the “State Transportation Assistance Fund/Public Transportation Account.”
- The current state transit program structure represents a consolidation and simplification of accounts and programs that support transit.
- The governor’s traffic congestion relief program enacted in July 2000 added \$5.3 billion from the general fund for various traffic congestion, goods movement, and interconnectivity projects. Approximately \$2.6 billion of that amount was dedicated to transit projects. A total of \$574 million, which includes a loan of \$100 million from the Public Transportation Account, was made available in FY 2002 for Traffic Congestion Relief Program transit projects.
- Regional transportation agencies apportioned a greater share of state transportation improvement program (STIP) funds for transit in FY 2002. As a result, STIP funds available for transit more than doubled from FY 2000 to FY 2002.

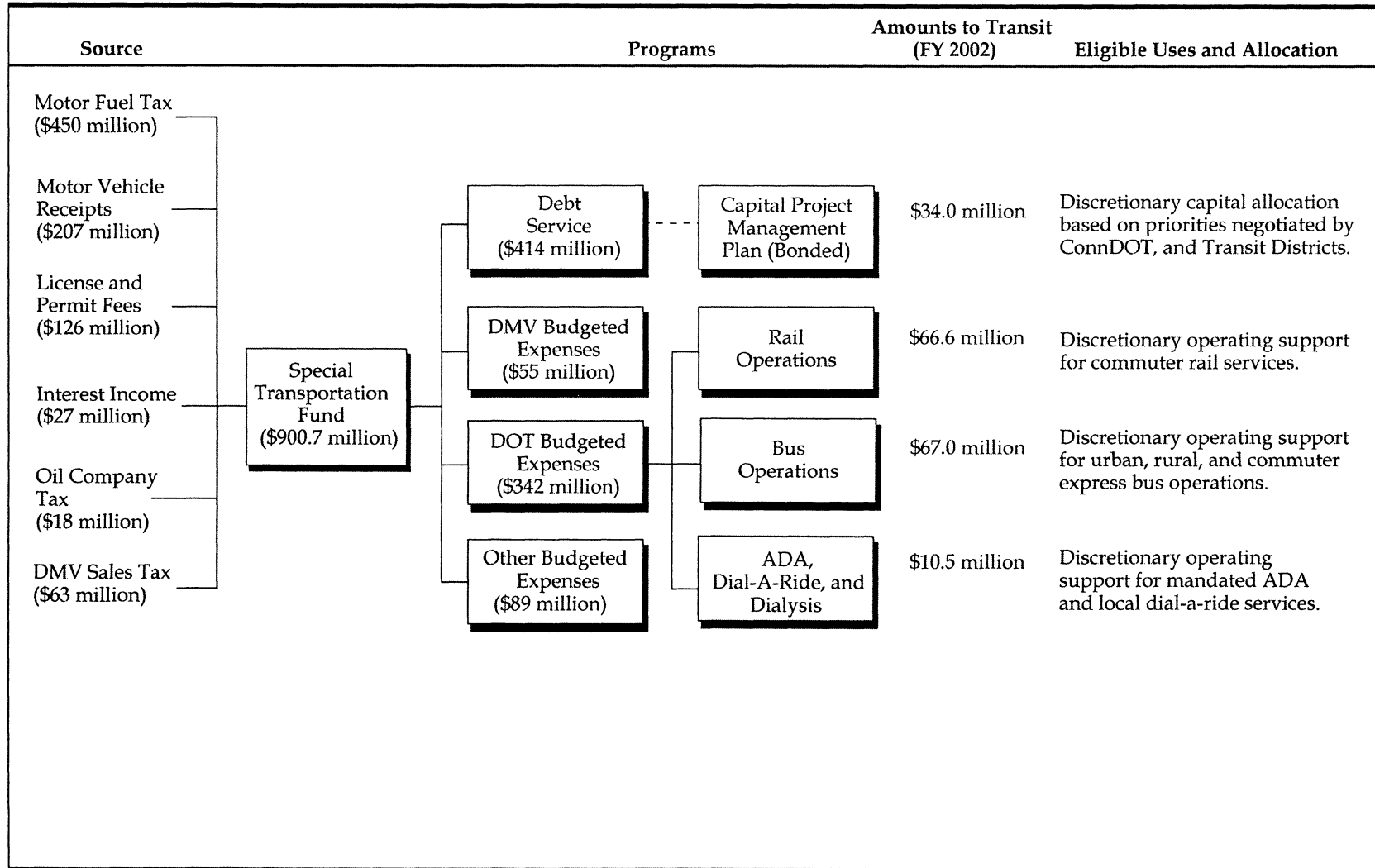
Colorado State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>No state funding provided for transit in FY 2002.</p>			

■ **Colorado State Transit Funding: Major Features**

- Transit projects are funded solely with federal and local dollars.
- A transportation funding bill was passed during the 2002 legislative session that will provide state funding for future transit-related purposes. The bill sets aside 10 percent of certain general fund transportation funds for strategic, transit-related purposes. These funds are derived by formula from excess state sales tax revenues. It is the responsibility of CDOT to define what constitutes “transit-related purposes” and the process for allocating funding. Because of the recent economic downturn, it is anticipated that excess tax revenues will not be available until at least 2008.

Connecticut State Transit Funding: Program Structure and Characteristics



■ **Connecticut State Transit Funding: Major Features**

- Total state transit funding increased from \$166.8 million in FY 2000 to \$178.1 million in FY 2002. This translates to a rise in per capita state funding from \$51 to \$52.
- The state funds virtually all transit in Connecticut. Minimal financial support for transit is provided by local governments, mostly for localized paratransit services.
- State operating support for bus services is provided on a deficit basis, driven by historic shares but subject to funding limitations in the state's biennial budget. The bus transit capital funding process involves pooling state and federally apportioned funds. Annual capital funding commitments are then determined through collaboration between the state and local transit districts.
- The state, through contractual arrangements, operates services in eight service areas under the title of CT Transit. CT Transit services account for approximately 70 percent of transit services and 80 percent of transit ridership statewide.
- Connecticut DOT, through its Office of Transit and Ridesharing, administers a growing number of programs on a statewide basis, including ridesharing and jobs access.
- A recent bus transit governance, management, and finance study explored directions for fundamentally altering current governance, management, and financing practices for transit.

Delaware State Transit Funding: Program Structure and Characteristics

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Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Bridge Tolls Gas Tax Vehicle Registration Fees	<pre> graph LR BT[Bridge Tolls] --- STF[State Trust Fund] GT[Gas Tax] --- STF VRF[Vehicle Registration Fees] --- STF STF --- RSPF[Rail Service Paratransit Fixed Route] STF --- CP[Capital Program] </pre>	\$43.8 million \$28.2 million	For operations expenditures on statewide public transit system. Approved by state legislature. Includes 4.5% spent on technological enhancements, 22% spent on vehicle replacement, and 74% spent on new facilities. Approved by state legislature.

■ Delaware State Transit Funding: Major Features

- Total state transit funding increased from \$62.8 million in FY 2000 to \$72 million in FY 2002. This translates to a rise in per capita state funding from \$80 to \$89.
- All public transit services are provided by the Delaware Transit Corporation, a division of the Delaware DOT.
- All services and programs are primarily funded through a single state trust fund, whose sources are bridge tolls, a portion of the gas tax, and vehicle registration fees. Additional revenue sources include passenger revenue and federal subsidy and grants.
- State funding provides 76 percent of the operating costs of the Delaware Transit Corporation.

District of Columbia Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Revenue Funds	Operating Subsidy to WMATA	\$148.5 million	Includes \$87.4 million allocated to Metrobus, \$50.8 million to Metrorail, and \$10.3 million to debt service.
	School Transit Subsidy to WMATA	\$3.0 million	The D.C. Omnibus Budget Support Act of 1995 authorizes the payment of 50% of the base fare as subsidy for the transportation of District students to and from school and related activities.
	Section 5303 Metropolitan Transit Planning Program	\$30,000	D.C. matching financial assistance to the Metropolitan Planning Organization.
	Section 5313(b) Statewide Transit Planning Program	\$8,000	D.C. matching financial assistance for statewide transit planning activities.
State Bonds Funding	Capital Subsidy to WMATA	\$60.2 million	WMATA Capital Program.

WMATA = Washington Metropolitan Transit Authority

■ District of Columbia Transit Funding: Major Features

- Total District funding for transit in FY 2002 was approximately \$211.8 million, or about \$371 per capita. The bulk of these funds are dedicated to operating and capital subsidies for the Washington Metropolitan Area Transit Authority (WMATA).¹
- The District of Columbia uniquely acts as both a state and local funding source.

¹ The District of Columbia per capita figure is artificially high. WMATA extends well beyond the District boundaries into Maryland and Virginia and therefore serves a population much larger than that of the District. Per capita figure is calculated only for District investment per District resident population.

Florida State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation	
Fuel Taxes (\$1,452 million) License Fees (\$439 million) Registration Fees (\$95 million) Title Fees (\$98 million) Rental Fees (\$100 million)	Florida Transportation Trust Fund 15% minimum for public transportation*	State Transit Block Grant Transportation Disadvantaged Trust Fund (15%)	\$64.2 million	Formula allocation to FTA Section 5307 recipients. Capital: Up to 1/2 non-federal share. Operations: Up to 1/2 eligible operating expenses, not to exceed local contribution. Includes 15% to counties for social service coordination through Commission for Transportation Disadvantaged.
		Public Transit Service Development Program	\$5.1 million	Discretionary project grants for 2-3 year demonstration projects (local and state) for operations, maintenance, marketing, and technology.
		Transit Corridor Program	\$7.1 million	Discretionary project grants for capital or operating in state-designated corridors.
		Commuter Assistance Program	\$4.4 million	Discretionary project grants for TMA and ride-sharing support for up to 1/2 TMA operating cost.
		Park and Ride Program	\$1.0 million	Discretionary project grants.
		Section 5311 Section 5310 Match	\$0.8 million	Discretionary project grants for up to 1/2 non-federal share of capital.
		Urban Transit Capital	\$9.0 million	Discretionary project grants for up to 1/2 non-federal share of capital. \$1.4 million is set aside for rural transit capital needs, administered by the Commission for the Transportation Disadvantaged at up to 90% state share. \$1.0 million is reserved for clean fuel technology capital projects.

* Includes aviation, rail, transit, seaports, and intermodal; transit share is approximately 4%.

TMA = transportation management agency.

■ **Florida State Transit Funding: Major Features**

- Total state transit funding increased from \$79 million in FY 2000 to \$92 million in FY 2002. This translates to a rise in per capita state funding from \$5.00 to \$5.70.
- State funding supports the full spectrum of transit needs—capital, operations, and planning.
- An urban transit capital program has been added to address a backlog of transit capital needs. The total program budget is \$9.0 million per year. Approximately \$1.0 million is reserved for clean fuel technology capital projects, and \$1.4 million is used for rural transit capital needs.

Georgia State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State General Funds	Urban Capital Program	\$0.6 million	Supports one-half non-federal share (10%) of priority capital projects in urbanized areas as a “continuation” or baseline budget, based on TIPs. Funds allocated directly by federal formula; any excess allocated by state formula based on ridership, farebox recovery, revenue vehicle miles, and trips per capita.
	Rural Capital Program	\$0.5 million	Supports one-half non-federal share (10%) of priority capital projects in 82 small urban and rural areas as a “continuation” or baseline budget, based on a Rural TIP.
	Enhancement Budget	\$7.0 million	Supplemental discretionary capital funds from annual appropriation used to support statewide bus purchases and earmarked projects; every agency receives some funding.
	Planning Support	\$0.16 million	Supports MPO planning in 14 MPOs with a minimum allocation and additional amounts to TMAs, negotiated with MPOs intermittently; balances allocated at DOT’s discretion.
	Intercity Bus Program	\$0.0 million	Federal and private funds (no state funds) support marketing, signage, and vehicle purchases.

TMA = transportation management agency.

■ Georgia State Transit Funding: Major Features

- Total state transit funding in FY 2002 was \$8.26 million, or about \$0.96 per capita.
- The majority of the state transit funding budget—\$7.0 million in FY 2002—is made available annually from a special “enhancement” request made of the state legislature by Georgia DOT.
- The state provides capital and planning funds, but no transit operating support.
- State funding for the Metropolitan Atlanta Rapid Transit Authority (MARTA) is included within the urban capital program.
- All rural providers are local or county governments, some of whom contract with other providers for service. Georgia DOT representatives assist rural areas in service planning and capital budgeting based on twice-year estimates of needs.
- Through the Georgia Public Transit Association, transit agencies are currently developing proposals for a state program of operating assistance and a transportation infrastructure fee in the form of a state gas tax increase to support added multimodal investment.

Hawaii State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>Hawaii has no continuous source of state funding for transit.</p>			

■ **Hawaii State Transit Funding: Major Features**

- The state of Hawaii has delegated responsibility for transit funding to the four county agencies of Hawaii, Maui, Kauai, and Honolulu.
- The state of Hawaii does sometimes provide additional funds for transit from its general funds. In FY 2002, the state provided a total of \$289,000: \$219,000 through its Department of Labor and Industrial Relations for transportation services for low-income people and \$70,000 through its Department of Health for transportation services for developmentally disabled clients on Maui.

Idaho State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Miscellaneous Revenue	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Seniors and Persons with Disabilities </div>	\$236,000	Discretionary allocation for vehicle purchase. First, federal funds are allocated by formula, then local dollars provide a 20% match, and finally state funds are used to complete the purchase cost.

■ **Idaho State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$236,000, or \$0.18 per capita.
- State transit funds are taken entirely from Idaho Transportation Department's miscellaneous revenues. Gas tax funds are restricted to road spending by the state constitution, and the legislature has not allowed general fund monies to be appropriated for transit.
- Local matches are generally funded by property taxes.

Illinois State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Revenue Funds		\$375 million	<p>Northeast Illinois (RTA system) receives General Revenue Funds equal to 25% of the RTA sales tax collected in northeast Illinois. The Metro-East system in southwest Illinois receives GRF equal to 80% of 2/32 of the sales tax collected in the region. Other eligible downstate areas receive GRF equal to 2/32 of the sales tax collected in those areas. Each area is limited to 55% of their operating budget in FY 2003.</p>
State Bonds (\$96 million)		\$362 million	
Strategic Capital Improvement Program Bonds (\$260 million)			<p>For the Strategic Capital Improvement Program, the RTA is authorized to sell bonds for state-approved transit projects. The RTA receives General Revenue Funds equal to the debt service on those bonds. Downstate capital assistance is discretionary and determined through the legislative process.</p>
General Revenue (\$6 million)			

GRF = General Revenue Fund.
RTA = Regional Transportation Authority.

■ Illinois State Transit Funding: Major Features

- Total state transit funding in FY 2003 is \$737 million, or \$59 per capita.
- Operating assistance is funded from general revenue funds and includes a fare reimbursement program, debt service on capital bonds, and general operating assistance. Systems can receive operating assistance for providing reduced fare to the elderly and persons with disabilities. The amount available each year is determined through the legislative process.
- General fund operating assistance for downstate transit operators cannot exceed 55 percent of any recipient's operating budget. The Northeastern Illinois Regional Transportation Authority (RTA) area has a minimum fare box recovery rate of 50 percent.
- Beginning in FY 2000, a number of local transit initiatives were funded through a state-wide bond program entitled "Illinois First." In FY 2002, the RTA received \$51 million, the Chicago Transit Authority (CTA) received \$1.6 million, and all other downstate agencies received \$4.1 million.

Indiana State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocations
<p>Sales and Use Tax (0.76% to transit)</p>	<pre> graph LR A[Sales and Use Tax (0.76% to transit)] --- B[Public Mass Transportation Fund] A --- C[Commuter Rail Service Fund] </pre>	<p>\$28.3 million</p> <p>\$8.6 million</p>	<p>Operating and capital assistance distributed by formula based on total boardings, total vehicle miles of travel, and amount of local-derived income.</p> <p>Dedicated funding for rail service between South Bend and Chicago. Used for maintenance, improvements, and operation of commuter rail service.</p>

■ **Indiana State Transit Funding: Major Features**

- Total state transit funding increased from \$32 million in FY 2000 to \$37 million in FY 2002. This translates to a rise in per capita state funding from \$5.00 to \$6.00.
- Operating and capital funds for transit are administered through the public mass transportation fund. The state sales and use tax is applied to this fund.
- Since 1997, the state has not applied for FTA grants for Section 5307, but has received grants for Sections 5303, 5309, and 5310.
- A Regional Transportation Authority (RTA) has been established in the Northwestern Indiana Regional Planning Commission (NIRPC). Although the enabling legislation has passed, the RTA remains unfunded at this time.

Iowa State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
4% of Use Tax on Sale of Motor Vehicles	<pre> graph LR A[4% of Use Tax on Sale of Motor Vehicles] --> B[State Transit Assistance (\$9.9 million)] B --> C[Formula] B --> D[Special Projects] </pre>	\$9.6 million (based on receipts)	Support of public transit operations/capital. Split between regional systems and urban systems based on revenue miles (approximately 50/50). Within peer groups, distribution 50% based on locally derived income (LDI), 25% based on ridership, and 25% on revenue miles.
		\$0.3 million (fixed)	Statewide projects for marketing, training, advanced technologies, etc.

■ Iowa State Transit Funding: Major Features

- Total state transit funding in FY 2002 was \$9.9 million, or about \$3.37 per capita.
- State legislation allocates 1/20 of the first \$0.04 of the use tax on the sale of motor vehicles and accessory equipment to the support of public transit. While the monies were originally placed in a separate dedicated fund, since 1993 they have been allocated to the state's general fund.
- In FY 2002 and again in FY 2003, the Iowa legislature responded to the state's budget shortfall by voting to divert a portion of the funds set aside for transit to other general fund needs. For FY 2003, it is anticipated that this will reduce the funding available to transit from approximately \$10.7 million to approximately \$9.5 million.
- The 2002 Iowa legislature, while diverting funds from the transit program for FY 2003, also amended the Code of Iowa to once again send the dedicated transit funds directly to the DOT rather than placing them in the general fund starting in FY 2005.
- Of the total amount available for transit support in any given year, \$300,000 are initially reserved for "special projects" to enhance the transit program, while the rest of the funds are distributed on the basis of a performance-based formula to the state's 19 urban and 16 regional transit systems to be used at the discretion of the local transit policy board for projects supporting public transit.
- Special projects are generally statewide in scope and include such items as a statewide transit awareness campaign, a fellowship program for transit systems in communities with populations greater than 50,000 (similar to what is made available to rural systems using the FTA Rural Transit Assistance Program [RTAP]), and projects for the introduction of advanced technologies. Of the set-aside special projects, any part not needed for such purposes can be distributed to the transit systems via the formula.
- Iowa's distribution formula makes an initial split in funding between the state's urban transit systems and the multicounty regional transit systems. This is based on total revenue miles provided by each peer group. Then with each peer group, each system receives an allocation of state transit assistance, which is based 50 percent on the amount of locally determined income generated in the previous year in comparison with peers, 25 percent on ridership in comparison with peers, and 25 percent on revenue miles in comparison with peers.
- Formula funds are distributed to transit systems monthly upon receipt by DOT.

Kansas State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)*	Eligible Uses and Allocation
State Motor Fuel Tax (\$6 million allocated to transit)	Rural Operating Assistance	\$1.20 million	Discretionary allocation based on identified needs.
	Urban Operating Assistance	\$2.16 million	Discretionary allocation based on identified needs.
	Rural Capital Assistance	\$0.67 million	Discretionary allocation based on identified needs.
	Urban Capital Assistance	\$1.28 million	Discretionary allocation based on identified needs.

* State FY 2002 extended from July 1, 2001, to June 30, 2002.

■ **Kansas State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$6.0 million, or about \$2.22 per capita. Of those funds, \$0.7 million were set aside as a reserve. The state has programmed \$6.0 million per fiscal year through FY 2009.
- The source of the funds is the state motor fuel tax, which is divided between rural (41 percent) and urban (59 percent) transit operators and is used for operating and capital needs.
- The selection process for funding begins by needs requests, which are compiled by various transit operators. These needs requests are then screened by 15 coordinated transit districts (CTDs), which view the requests in light of districtwide needs. The recommendations made by the CTDs are then forwarded to the state DOT transit section, which notifies the final fund recipients.

Kentucky State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State General Funds (\$1.4 million)	Elderly and Disabled Capital	\$0.16 million	Formula match of up to 10% of capital projects.
	Rural Capital and Discretionary	\$1.16 million	Formula match of up to 10% of capital projects.
	Small Urban Capital	\$0.08 million	Formula match of up to 10% of capital projects.

■ **Kentucky State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$1.4 million, or about \$0.34 per capita.
- The state uses state general funds to match up to one-half of the local share of capital projects. While state funds are also eligible for operating costs, no state funds have been appropriated for this purpose.
- Prioritization of funds occurs in the following order: elderly and disabled program, rural program, small urban systems, and large urban areas.
- Generally, the state requests funding for about 150 elderly and disabled program vehicles and is provided funding for approximately 40. Vehicle replacement criteria such as mileage, age, clientele, ridership, and other vehicle factors are used to prioritize funds. Funds are not available for service expansion, only system preservation (i.e., replacement of aging vehicles).

Maine State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Fund	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Public Transportation Fund</div>	\$0.5 million	Supports local transit operations, matching federal transit grants.
General Fund Bonds	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Passenger-Related Improvements</div>	\$2.0 million	Transit bus and passenger ferry replacements, matching federal grants, and state investment in capital for transit to reduce seasonal congestion.

■ **Maine State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$2.5 million, or \$1.93 per capita.
- The constitutional barrier to using state highway tax dollars for nonhighway purposes limits funding for transit, although a new program is under development that—if enacted and funded—will give towns a bonus in their local roads accounts if they increase their contributions to transit.

Maryland State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Fuel Taxes (32.6%)	Transportation Trust Fund	\$361.7 million	Discretionary funding, \$283.5 million for operating, \$78.2 million for capital. Funds Maryland Mass Transit Administration services in Baltimore Metropolitan Area, and Baltimore/ Washington commuter rail operating expenses (\$41.8 million).
Motor Vehicle Excise Taxes (35.9%)			
Motor Vehicle Fees (17.0%)	Transportation Trust Fund	\$234.5 million	Formula-based Maryland share of Washington Metropolitan Area Transit Authority (WMATA) needs (\$83.1 million capital, \$124.5 million operating). Remainder allocated to counties in Washington metropolitan area based on project needs and new service needs.
Corporate Income Taxes (4.1%)			
Bond Proceeds (10.3%)	Statewide Grant Program	Small Urban Program	25% operating assistance match for 5307 programs. 10% capital assistance match for 5307 programs.
		Statewide Special Transportation Assistance Program	Formula-based program that allocates 60% of funds evenly to providers; 40% of distribution based on elderly/disabled population. All providers of elderly/disabled services are eligible.
	Statewide Grant Program	ADA Services	Discretionary program, with distribution based on need to counties or human service organizations.
		Job Access	Discretionary funding that matches FTA grant for low-income access to jobs.
	Statewide Grant Program	New Starts	For extensions of current service. A discretionary program whose allocation is based on competitive grant process.
		Rural Transit Program	Formula-based funding, for operating expenditures: 90% of distribution based on past needs, 10% based on rural population.
	Statewide Grant Program	Governor's Transit Initiative	For capital expenditures: distribution based on current needs.
			Funding for local transit systems to expand current levels of service to meet statewide ridership goals. \$8.5 million is allocated for operating expenditures and \$8.7 million for capital.

■ **Maryland State Transit Funding: Major Features**

- Total state transit funding increased from \$484 million in FY 2000 to \$627 million in FY 2002. This translates to a rise in per capita investment from \$94 to \$118.
- Funding to support all modal expenditures flows through the Transportation Trust Fund. The state legislature allocates funding to each modal administration based on budget requests. Transit received 30 percent of the total transportation capital budget in FY 2002.
- The Maryland Transit Administration is required by statute to recover 40 percent of its transit operating expense through fares, with a goal of 50-percent recovery.

Michigan State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>Sales Tax - 7% of the 6% sales tax on automotive-related items</p> <p>Miscellaneous Revenue and Interest</p>	<pre> graph TD A[Sales Tax - 7% of the 6% sales tax on automotive-related items] --> B[Comprehensive Transportation Fund] C[Miscellaneous Revenue and Interest] --> B D[Michigan Transportation Fund] -- "10% of balance after deduction of new (FY 1997) gas tax revenue and costs of collection and certain other disbursements" --> B B --> E[Local Transit Operating Assistance] B --> F[Public Transportation Development] B --> G[Intercity Passenger and Freight*] </pre>	<p>\$159.5 million</p>	<p>Formula allocation to local agencies.</p> <p>Eligible operating expenditure caps:</p> <ul style="list-style-type: none"> • Urban (100,000+) - up to 50%; and • Non-urban/small urban - up to 60%.
<p>Gas Tax (19¢/gallon)</p> <p>Registration Fees</p>	<p>Michigan Transportation Fund</p>	<p>\$20.8 million</p>	<p>Amtrak, intercity bus, rail freight, and marine capital programs. Minimum distribution (10% of total) set in state law.</p>

* Certain payments (e.g., loan repayments, fees, etc.) are deposited in the bus equipment fund, rail freight fund, or rail infrastructure loan fund for use in those programs.

■ Michigan State Transit Funding: Major Features

- Total state transit funding rose from \$191 million in FY 2000 to \$205.7 million in FY 2002. This translates to an increase in per capita funding from approximately \$19 to \$21.
- The state provides some level of public transportation in all 83 counties.
- A total of 52 of 84 public transit agencies are locally supported by property tax millages, with the remainder supported by local general funds.
- A total of 137 specialized service providers transported 1.47 million passengers.
- The rideshare program supports 12 local rideshare offices that organize, demonstrate, and promote ridesharing activities. In addition, the MichiVan program provides fleet management to 75 commuter vanpool groups.
- The marine program supports three ferry services in the Eastern Upper Peninsula, which carried 548,795 vehicles and 877,893 passengers. Funding for capital improvements was provided to the Beaver Island Transportation Authority, which carried 7,133 vehicles, 47,577 passengers, and 23,119 tons of freight.
- The state supports five intercity routes, which carry 78,362 passengers.
- About 200 regular route and charter carriers are licensed in Michigan, and 3,768 buses are registered to operate.

Minnesota State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2003)	Eligible Uses and Allocations
General Fund	Mn/DOT Greater Minnesota	\$17.3 million	Fixed local share funding formula for eligible operating expenditures. Local match of federal funds for capital expenditures.
	Property Tax Replacement Aid	\$6.5 million	Replaces property taxes formerly used by transit systems as part of statutory local match for state and federal operating assistance.
Motor Vehicle Sales Tax*	Property Tax Replacement Aid	\$122.6 million	Replaces property taxes formerly used by transit systems for local operating assistance. Direct allocation of 20.5% of MVST for operations.
	Local Transit Operating Assistance	\$62.8 million	Direct allocation from state general fund for transit operations.
	Busways	\$20.0 million	Federal funds match for construction of the Minneapolis Northwest Busway.

* The Motor Vehicle Sales Tax is the funding source for the Property Tax Replacement Aid. The 2001 Minnesota Legislature created transit funds to provide Property Tax Replacement Aid payments for public transit systems in Minnesota by dedicating 20.5% of annual MVST collections for Twin Cities Metropolitan Area transit operations and 1.25% for Greater Minnesota Operations. Use of property taxes for transit operating costs ended December 31, 2001. The first payments from MVST were made in July 2002 (FY 2003).

MVST = Motor Vehicle Sales Tax.

■ **Minnesota State Transit Funding: Major Features**

- Total state transit funding rose from \$208.2 million in FY 2000 to \$229.2 million in FY 2003. This translates into a per capita increase from \$44 to \$46.
- The motor vehicle sales tax replaced the property tax as a source of transit funding in FY 2002. Therefore, FY 2002 was not considered representative of current Minnesota transit funding and is not shown.
- MnDOT receives and distributes funding for public transit systems outside the seven-county metropolitan area. The Metropolitan Council MPO receives and distributes funding for the Minneapolis–St. Paul metro area.
- The Metropolitan Council also passes through property tax replacement aid to 13 communities that have opted out of the regional transit system. On the previous page, these pass-throughs are included in the Metropolitan Council funds.

Mississippi State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
No state funding provided for transit in FY 2002.			

■ **Mississippi State Transit Funding: Major Features**

- The state does not provide funding for transit.

Missouri State Transit Funding: Program Structure and Characteristics

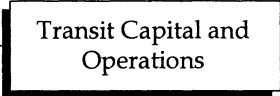
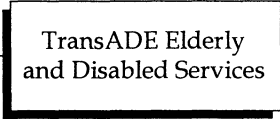
Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Revenue	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: 100px;">Transit Operating Assistance</div>	\$8.2 million	Operating assistance for urban and rural public transit providers to partially offset operating deficits.
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: 100px;">Missouri Elderly and Handicapped Transportation Assistance Program (MEHTAP)</div>	\$2.9 million	Offsets operating deficits of not-for-profit agencies that provide mobility trips to seniors and people with disabilities. Allocated based on a formula that takes into account the proposed number and type of trips.

■ Missouri State Transit Funding: Major Features

- Total state transit funding was \$11.1 million in FY 2002, or about \$1.96 per capita.
- Only general revenue funds are used for transit, as the Missouri constitution prohibits state gas tax money from being used for anything other than roads.
- Six public urban transit providers and 31 rural transit providers receive state transit operating assistance funds; 192 nonprofit organizations receive Missouri Elderly and Handicapped Transportation Assistance Program (MEHTAP) funds.
- In FY 2003, transit operating assistance was reduced from FY 2002 levels to \$3.75 million, of which \$0.85 million was returned to the state treasury to help balance the state budget. For FY 2003, state operating assistance funded about 1 percent of the operations budget of large urban systems, 5 percent for small urban systems, and 10 percent of rural systems.
- In FY 2003, MEHTAP funding declined slightly to \$2.8 million. For FY 2003, MEHTAP is expected to offset about 12 percent of the total cost of trips provided.

Montana State Transit Funding: Program Structure and Characteristics

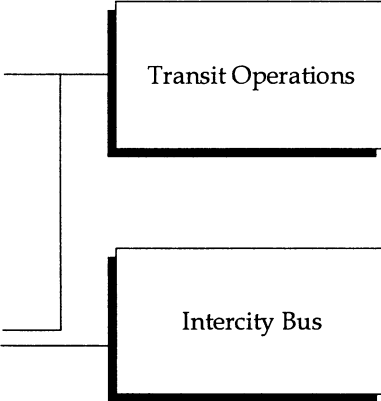
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Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State Gas Tax		\$75,000	Formula allocation to six general public provider transit districts for capital and operations.
Motor Vehicle License Fee		\$315,000	Discretionary, competitive allocation to agencies providing service to elderly and disabled persons, based on need and degree of service coordination.

■ **Montana State Transit Funding: Major Features**

- Total state transit funding was \$390,000 in FY 2002, or about \$0.43 per capita.
- Although the TransADE funding amount is determined annually, the gas tax contribution to transit is fixed.

Nebraska State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Highway Trust Fund (\$1.0 million)	 <p>Transit Operations</p>	\$1.7 million	Formula allocation for operating budget expenditures.
General Fund (\$0.8 million)	<p>Intercity Bus</p>	\$0.1 million	Discretionary allocation for capital and operating expenditures. Includes vehicle purchase, administration, marketing, and operating costs.

■ **Nebraska State Transit Funding: Major Features**

- Total state transit funding was \$1.8 million for FY 2002, or \$1.00 per capita.
- State operating support is provided on a deficit basis, limited to a cap determined by a formula.
- Rural transit systems are reimbursed first, with any remaining state funds distributed to the urban transit systems by formula.
- The Nebraska Department of Roads, through the Rail and Public Transportation Division, administers the Rural Transit Assistance Program (RTAP) on a statewide basis.

Nevada State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Interest on NDOT Trust Fund	5310 Vehicle Funding for Specialized Transportation	\$0.1 million	Matches 10% of the required 20% match for federal funds for purchases of vehicles for providing transit to the elderly and disabled.
	5311 Non-Urbanized Area Capital	\$0.03 million	Matches one-half of the non-federal share for 5311 capital projects.
State General Fund	3037 Job Access Program	\$0.3 million	One-time match appropriated by the state legislature for Section 3037 programs.

■ Nevada State Transit Funding: Major Features

- Total state transit funding in FY 2002 was \$430,000, or approximately \$0.20 per capita. These funds include a one-time match appropriated by the state legislature for 3037 funds. They do not include NDOT staff administration.
- Nevada also receives federal monies for the Rural Transit Assistance Program (RTAP).
- Nevada has applications pending for the 5307 Urbanized Area Capital Purchases Program. When available, these funds will be distributed through the state prioritization process.

New Hampshire State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>State Capital Budget (bonds \$54.2 million for 2-year budget)</p>	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Capital Match</div>	\$0.1 million	<p>A 10% match for transit vehicle purchases with Section 5307, 5309, and 5311 funds.</p>
<p>General Funds (\$3.3 million appropriated to DOT)</p>	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Operating Assistance</div>	\$0.1 million	<p>Operating assistance match for local transit systems under Section 5307 and 5311.</p>
<p>State Highway Funds (\$223.5 million total, of which DOT receives \$171.5 million)</p>	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Commuter Rail Match</div>	\$0.1 million	<p>Match for Section 5309 rail funds.</p>

■ **New Hampshire State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$300,000, or approximately \$0.24 per capita.
- These funds consisted of bond revenue, general funds, and state highway funds.

New Jersey State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Fund	Transit Operations	\$254.4 million	Operating budget items.
Motor Fuel Taxes (\$360 million)	New Jersey Transportation Trust Fund, transit portion \$572.5 million (bonded)	Rail Program	Capital investment in infrastructure, facilities, equipment, capital maintenance, and passenger facilities.
Toll Road/ Authority Contributions (\$24.5 million)		Bus-LRT Program	Capital investment in infrastructure, facilities, equipment, capital maintenance, and passenger facilities; includes \$6.7 million for Private Carrier Equipment Program.
Heavy Truck Fees/ Diesel Fuel Tax (\$30 million)		Urban Core Program	Individual major capital projects.
Other State Revenues (Motor vehicle registration fee surcharge; other revenues as needed)		Systemwide Capital Improvements	Miscellaneous capital and related capital improvements throughout the system.
Casino Revenues (\$304 million)		Casino Revenue Fund	NJ Transit Elderly and Disabled Programs
	7.5%	\$24.8 million	

■ **New Jersey State Transit Funding: Major Features**

- Total state transit funding increased from \$620 million in FY 2000 to \$852 million in FY 2002. This translates to a rise in per capita funding from \$74 to \$99.
- Public transit services throughout New Jersey are provided by a single state agency, the New Jersey Transit Corporation (NJ Transit).
- NJ Transit elderly and disabled programs are funded from a separate casino revenue fund.
- The New Jersey Transportation Trust Fund supports both transit and highway programs. The portion of the trust fund shown here reflects expenditures for transit purposes.

New Mexico State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
No state funding provided for transit in FY 2002.			

■ **New Mexico State Transit Funding: Major Features**

- New Mexico currently provides no state transit funding. All federal matches are made with local dollars.
- The 2003 legislative session is proposing regional transportation district (RTD) bills with taxing authority, and a bill is being proposed for dedicated state transit funds.

New York State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Funds	Section 18-b STOA Operating Assistance Program	\$58.0 million	Statewide Mass Transportation Operating Assistance (STOA) provided under Section 18-b requires 10% local match.
	Additional Upstate Operating Assistance	\$58.6 million	No local match required for general funds provided in addition to Section 18-b requirement.
	MTA Student Reduced Fare Program	\$45.0 million	Special funds to support MTA Student Reduced fare Program. 100% match provided by New York City.
Portion of Corporate Franchise Tax Surcharge - MTCD ¹ Only	Mass Transportation Operating Assistance Fund (MTOA) Metropolitan Mass Transportation Operating Assistance Fund Downstate Account Public Transportation Systems Operating Assistance Fund Upstate Account	\$161.1 million	Statewide Mass Transportation Operating Assistance (STOA) provided under Section 18-b requires 100% local match.
1/4% Sales Tax - MTCD ¹ Only		\$887.2 million	Dedicated, non-match assistance for transit systems within the 12-county metropolitan transportation district.
Long Lines Tax - MTCD ¹ Only (transportation/transmission companies)		\$4.9 million	Statewide Mass Transportation Operating Assistance (STOA) provided under Section 18-b requires 100% local match.
Portion of the Base Petroleum Business Tax (55% MMTOA ² /45% PTOA ³)		\$47.5 million	Dedicated, non-match assistance for transit systems within the 12-county metropolitan transportation district.
Portion of the Base Petroleum Business Tax	Dedicated Mass Transportation Trust Fund (DMTTF) MTA Capital and Operating Assistance Non-MTA Capital Programs Additional Non-MTA Operating Assistance	\$433.3 million	Dedicated MTA share of transit allocation (34%) of state trust fund. Used for operating capital and debt service.
100% Supplemental Petroleum Business Tax		\$29.8 million	Dedicated share of transit allocation of transit fund for non-MTA systems. Used for state share of federally funded capital projects (10%) for non-MTA systems (\$10.5 million). Local sponsors match the remaining non-federal share (10%). The balance (\$10 million) funds a 100% state-supported non-MTA capital program to address needs that exceed available federal funding.
		\$18.0 million	Portion of trust fund redirected to address operating assistance needs.

¹ MTCD: Metropolitan Transportation Commuter District.

² MMTOA: Metropolitan Mass Transportation Operating Assistance.

³ PTOA: Public Transportation Operating Assistance.

■ New York State Transit Funding: Major Features

- Total state transit funding increased from \$1.58 billion in FY 2000 to \$1.74 billion in FY 2002; per capita state investment has increased from approximately \$83 to \$91.
- Operating assistance is administered through the statewide mass transportation operating assistance (STOA) program. The program is funded through the general fund, the mass transportation operating assistance (MTOA) fund, and the dedicated mass transportation trust fund.
- MTOA is the dedicated tax portion of the STOA.
- The Metropolitan Transportation Authority (MTA), Staten Island Ferry, New York City DOT, the four upstate regional transportation authorities, and Westchester, Nassau, and Suffolk Counties receive STOA funding through a specific line item in the state budget. The remaining bus systems receive STOA through an incentive-based passenger and vehicle mile formula.
- The state provides 50 percent of the nonfederal share of the Transportation Equity Act for the 21st Century (TEA-21) federally funded transit capital projects for systems other than the MTA (not to exceed 10 percent of the project cost). As part of a multiyear transportation program for systems other than the MTA, the state also provides \$14 million annually in 100-percent state funds to address priority capital needs that exceed available federal resources. MTA capital requirements are addressed from the state contribution to the MTA multiyear capital program.

North Dakota State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Statewide Vehicle Registration Fee (\$2 per vehicle per year)	<pre> graph LR A[Statewide Vehicle Registration Fee (\$2 per vehicle per year)] --> B[North Dakota Public Transportation Fund] B --> C[State Transit Operating, Capital, and Planning Assistance] </pre>	\$1.66 million	State statutory formula distribution of funds to each county for public transportation operators, based on population and base funding amount.

■ **North Dakota State Transit Funding: Major Features**

- Total state transit funding was \$1.66 million in FY 2002, or \$2.60 per capita.
- State funding covers about 17.8 percent of all federal and state transit funding in North Dakota.
- State aid for public transit funds in North Dakota are not restricted and can be used by transit project recipients for all transit costs, including operating costs, capital costs, transit planning costs, and the costs of matching federal transit funds.

Ohio State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Fund Biennial Legislative Appropriations (two 1-year appropriations)	Ohio Public Transportation Grant Program (\$19.5 million)		
	FTA Section 5307 Recipients	\$15.5 million	Formula allocation for federal match for urbanized areas. Provides up to 50% of non-federal operating expenses for areas with populations of less than 200,000 only, up to 80% of project cost at grantee request for capital, and 10% of project cost for planning.
	FTA Section 5311 Recipients	\$4.3 million	Formula grant allocations. Provides up to 30% of operating expenses and 10% of project cost for capital expenses.
	Human Service Coordination Program	\$1.3 million	Discretionary project grants available to 40 counties/ areas with no current service. For staff, administration, operations, and fare reduction.
	Elderly and Disabled Transit Assistance Program	\$3.3 million	Reimbursement to systems where elderly and disabled fares are not more than half the fare charged to the general public. Reimbursement equals 70% of the revenues lost by charging the reduced fare.
50% of Corporate Franchise Tax Paid by Railroads	Rail Program	\$3.7 million	Development of rail projects - passenger, commuter, and freight.

■ Ohio State Transit Funding: Major Features

- Total state transit funding decreased from \$36 million in 1999 to \$24.4 million (excluding the rail program) in FY 2002. Per capita state investment has declined from about \$3.00 to \$2.00.
- State funding supports capital and planning in all areas; it supports operating assistance only in areas with populations of less than 200,000.
- ODOT places a strong emphasis on oversight and technical support.
- There is no longer a state discretionary capital program using state funds. A limited discretionary program is being continued using congestion mitigation air quality (CMAQ) transfer funds.
- Formula allocation for FTA 5307 and 5311 recipients incorporates performance factors, including ridership (50 percent), revenue miles of service (25 percent), and level of local support (25 percent). Compliance with requirements and timeliness of submissions are also evaluated.
- A committee appointed by the governor and the Ohio General Assembly—the Transportation Review Advisory Committee—uses motor fuel taxes (highway purpose projects) and CMAQ funds (transit projects) for major new transportation projects, including transit projects.

Oklahoma State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State Fuel Tax Dedicated Funds (\$850,000)	Public Transit Revolving Fund	New Starts	Urban and rural new starts, including expansion of existing service.
State General Funds (discretionary) (\$2 million)		Metro Transit	For all purposes.
		Tulsa Transit	For all purposes.
		All other public transportation providers	\$1,624,500

■ Oklahoma State Transit Funding: Major Features

- Total state transit funding in FY 2002 was \$2.85 million, or \$0.82 per capita. All state transit funds were appropriated to the Public Transit Revolving Fund (PTRF).
- Funding sources included \$850,000 from the state fuel tax that is dedicated to the PTRF every year and \$2.0 million in funds appropriated by the legislature.
- Five percent of funds appropriated to the PTRF are set aside for new starts.
- By state statute, Oklahoma City and Tulsa Transit Service receive 20 percent of the PTRF annually.
- The balance of money appropriated to the PTRF is distributed to all other public transit providers using a pro rata share of the vehicle revenue miles.

Oregon State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Cigarette Tax			
State General Funds		<p>\$9.5 million</p>	<p>Distributed to counties for senior and disabled transportation. 75% of fund allocation based on population, 25% based on a competitive grant process.</p>
		<p>\$5.1 million</p>	<p>Discretionary allocation for debt service and bond repayment for Portland West Side Light Rail.</p>
		<p>\$5.0 million</p>	<p>Discretionary allocation for operation, equipment, and track improvements for Oregon High-Speed Rail Program.</p>
In Lieu of Payroll Tax		<p>\$4.4 million</p>	<p>To transit and transportation districts for transit operations and capital expenditures. Allocated to those eligible as a percent (.06) of the state wages they generate locally. They cannot receive more than their own taxing resources (i.e., a 50% match).</p>

■ Oregon State Transit Funding: Major Features

- Total state transit funding increased from \$21.6 million in FY 2000 to \$23.9 million in FY 2002. Per capita investment increased from \$6.31 in FY 2000 to \$6.80 in FY 2002.
- Most state funding is allocated to “special” programs, including elderly and disabled and new fixed-guideway projects.
- State general funds provide most funding for state transit programs.
- Of the \$0.68 cigarette tax, \$0.22 is allocated to the state general fund. Of that amount, \$0.02 per pack is allocated to the Special Transportation Fund for senior and disabled transportation.
- The in-lieu-of-payroll tax support applies to mass transit districts and transportation districts. Amounts provided under this program must be matched by other tax revenue.

Pennsylvania State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General Fund	Operating Assistance	\$270.8 million	Allocation is by legislative formula: \$268.1 million for Urban; and \$2.7 million for Rural. Eligible uses include all standard categories of operating assistance.
Dedicated Funds: <i>Public Utility Realty Tax (7.6 mills)</i> <i>Auto Rental Tax (\$2 per day)</i> <i>Vehicle Lease Tax (3% of price)</i> <i>Tire Fee (\$1 per tire)</i> <i>Annual Transfer of .52% Sales Tax - Sales</i> <i>Proceeds Equivalent to 6% Sales Tax on Periodicals and Selected Truck Leases</i>	Dedicated Public Transportation Assistance Fund (PTAF)	\$181.6 million	Allocation is by legislative formula: \$172 million Urban; \$4.9 million Rural; \$2.3 million Community Transportation; and \$2.4 million Technical Assistance. Eligible uses include capital assistance for Urban, Rural, and Community Transportation Systems. Up to 50% of Urban or Rural PTAF funds may be used for Asset Maintenance. Technical Assistance funds may also be used for Training and Demonstration Projects.
Supplemental Dedicated Funds: Transfer of 1.22% of Sales Tax Proceeds not to exceed \$75 million annually	Dedicated Supplemental Funding (Act 3 Revenue Enhancement Initiative)	\$75.0 million	Allocation by legislative formula: \$69 million Urban; \$4.8 million Rural; and \$1.2 million for Community Transportation. Eligible uses include capital assistance only for Community Transportation and Capital or Operating assistance for Urban and Rural. Urban systems may use approximately 75% of funds for Operating Assistance, including Asset Maintenance, and the balance for Capital Assistance. Rural systems may use all funds for Operating Assistance.
Lottery Funds and Supplemental General Funds (\$118.9 million Lottery/ \$16.1 million Supplemental General Funds)	Senior Citizen Transportation Program: Fixed-Route and Shared-Ride Service	\$135.0 million	Allocation is by legislative formula based on senior citizen ridership and average or base fare levels. Urban systems received \$121.5 million and Rural systems \$13.5 million. Funds are used to provide 100% fare reimbursement to systems for providing free senior citizen fares during off-peak hours for Fixed-Route Service, and for reimbursement of 85% of eligible fares for Shared-Ride Service, which has no peak-hour restriction. Shared-Ride Program was exclusively funded with \$63.1 million Lottery funds. Fixed-Route Program was funded with \$55.8 million of Lottery Funds and \$16.1 million of Supplemental General Funds.

Pennsylvania State Transit Funding: Program Structure and Characteristics (continued)

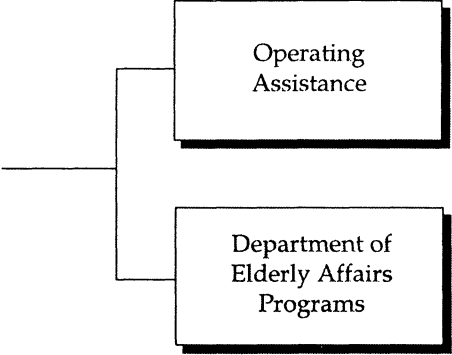
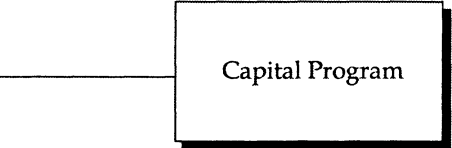
Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
General State Obligation Bond Proceeds	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Discretionary Capital Assistance Program </div>	\$121.9 million	<p>Discretionary allocation to specific capital projects authorized in periodic State Capital Budgets. Generally, annual policy allocation approximates Urban and Rural legislative formula allocations (e.g. 97% Urban/3% Rural).</p> <p>Eligible uses include all standard categories of capital assistance and vehicle overhaul costs.</p>
General Funds	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Intercity Transportation Program </div>	\$5.7 million	<p>Discretionary allocation for specific projects as determined by the Department. Funds were used for operating assistance only, and included \$4.1 million for the Intercity Rail Program and \$1.6 million for the Intercity Bus Program.</p>
General Funds	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Miscellaneous Other Program </div>	\$1.8 million	<p>Discretionary allocation for specific projects as determined by the Department. Eligible uses include operating assistance for Persons with Disabilities Demonstration Program; consultant oversight costs for State Rail Transit Oversight Program and Operating Assistance for the Job Access Program (JARC). Amount includes \$1.1 million for Persons with Disabilities Demonstration Program; \$0.5 million for State Rail Transit Safety Oversight Program; and \$0.2 million for the Job Access Program.</p>

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■ **Pennsylvania State Transit Funding: Major Features**

- Total state transit funding declined slightly from \$793.1 million in FY 2000 to \$791.8 million in FY 2002. Per capita funding remained approximately \$64.
- The funding sources include state general fund, dedicated funds (including both Public Transportation Assistance Fund [PTAF] and Act 3 Revenue Enhancement Initiative), lottery funds, and general obligation bond proceeds.
- The state has a constitutional restriction prohibiting the use of highway funds for public transportation.
- State-dedicated PTAF and Act 3 funds are exclusively for public transportation.

Rhode Island State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Motor Fuel Taxes (7.5 cents per gallon; 24.2% of the taxes go to transit)	 Operating Assistance	\$29.4 million	Dedicated allocation to the statewide transit provider, Rhode Island Public Transit Authority (RIPTA) operations. Uses a 6.25 cent/gallon from Motor Fuel Tax.
	Department of Elderly Affairs Programs	\$4.7 million	Dedicated allocation for Elderly/ Disabled reduced fares for RIPTA fixed-routes service, RIPTA ADA services, and Department of Elderly Affairs elderly transportation. Uses a 1.0 cent/gallon from Motor Fuel Tax.
General Obligation Bonds	 Capital Program	\$1.9 million	Funds 20% state match of federal funds for bus purchases (2000 referendum available). \$1.7 million in additional funding was approved by voters in November 2002 for bus purchases.

■ **Rhode Island State Transit Funding: Major Features**

- Total state transit funding rose from \$31.5 million in FY 2000 to \$36 million in FY 2002. This translates to an increase in per capita funding from \$32 to \$34.
- The Rhode Island Public Transit Authority (RIPTA) now serves as the paratransit broker in Rhode Island. RIPTA is the largest of the paratransit carriers and contracts with eight other carriers to provide elderly and disabled paratransit services. The paratransit brokerage service is known as “Ride.”
- Rhode Island voters passed a referendum in November 2002 to spend \$1.7 million for bus purchases.

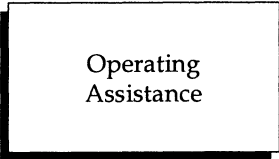
South Carolina State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>Motor Fuel Taxes (1/4 of one cent)</p> <p style="text-align: center;">— State Mass Transit Fund</p>	<p style="text-align: center;">State Match for Large Urban Operators</p>	<p>\$2.07 million</p>	<p>Used to provide match for FTA 5307 funds. Monies can be used for both operating and capital expenses.</p>
	<p style="text-align: center;">State Match for Small Urban Operators</p>	<p>\$0.89 million</p>	<p>Used to provide match for FTA 5311 funds. Monies can be used for operating and administrative expenses.</p>
	<p style="text-align: center;">State Match for Rural (Nonurban) Operators</p>	<p>\$2.20 million</p>	<p>Used to provide match for FTA 5311 funds. Monies can be used for operating and administrative expenses.</p>
	<p style="text-align: center;">Statewide Planning Assistance</p>	<p>\$0.03 million</p>	<p>Primarily used for match for the FTA 5313(b) program. In FY 2001-2002, funds from this program were used to conduct the Statewide Transit Summit and Mass Transit Workshop.</p>
	<p style="text-align: center;">State Mass Transit Programs</p>	<p>\$0.82 million</p>	<p>Funds contingencies and special projects as well as administrative costs of the Mass Transit Office.</p>

■ **South Carolina State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$6.0 million, or about \$1.49 per capita.
- State mass transit funds have remained about the same for the past several fiscal years even though funding needs have steadily increased.
- The majority of the state transit funding budget – \$5.18 million in FY 2002 – is used for matching FTA funds that are awarded in South Carolina.
- Through the Transportation Association of South Carolina (TASC), transit agencies are currently lobbying the state legislature for an increase in the state’s gas tax allocation for mass transit and to make this funding source permanent and dedicated.

South Dakota State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation	
Public and Specialized Transportation Fund (\$300,000)	 <p>Operating Assistance</p>	\$0.48 million	Allocated among 5311 providers by account ridership and miles driven.	
Highway Fund (\$180,000)				General State Transportation Funds

■ **South Dakota State Transit Funding: Major Features**

- Total state transit funding in FY 2002 was \$4.48 million, or approximately \$5.89 per capita.
- The bulk of state funding—\$4.0 million—for capital expenses came from a one-time funding source.
- The second largest funding amount—\$300,000—came from the Public and Specialized Transportation Fund, which is now defunct (the implication is that this source will be replaced with the highway trust fund).
- The remaining \$180,000 was funded through the highway trust fund.

Tennessee State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Gas Tax	Urban Capital Assistance	\$5.3 million	Formula-based allocation based on urban area population and number of peak vehicles in service. Cities of less than 200,000 population eligible. Provides matches for Sections 5307, 5309 (bus, rail, rail modernization, new starts), and STP/Flex funds.
	Urban Operating Assistance	\$14.1 million	Formula-based state match of up to 40% of non-federal share.
	Rural Transportation	\$5.7 million	Includes discretionary match of Section 5311 funds, operating assistance, and a rural vehicle replacement program.
	Jobs Access (Rural and Urban)	\$0.8 million	Matches federal funds for the Jobs Access program.
	Elderly and Disabled (Section 5310)	\$0.2 million	State match of 10% of capital (half of non-federal match).
	MPO and Statewide Planning (Sections 5303 and 5313(b))	\$0.1 million	Discretionary match of federal funds for planning.
	Urban and Rural Training Assistance	\$0.1 million	Discretionary allocation for training assistance.
	Student Intern Program	\$0.1 million	Discretionary allocation for student intern program.
	Ridesharing/ Park-and-Ride Lots	\$0.0 million	Funded from previous year's budgets for FY 2002. Discretionary allocation to local agencies.

■ Tennessee State Transit Funding: Major Features

- Total state transit funding increased from \$21.7 million in FY 2000 to \$26.4 million in FY 2002. This translates to a rise in per capita funding from approximately \$3.80 to \$4.55.
- The sole source for funding is the state gas tax, which provides funding for urban capital and operating assistance, rural transportation, jobs access, elderly and disabled program, MPO and statewide planning, and urban and rural training assistance.

Texas State Transit Funding: Program Structure and Characteristics

Source	Programs	Annual Amounts to Transit ¹ (FY 2002-2003 Biennium)	Eligible Uses and Allocation
<p>State Highway Fund (non-constitutionally dedicated portion, \$35.7 million)</p> <p>General Revenue Fund (\$17.7 million)</p> <p>Oil Overcharge Monies (\$1.0 million)</p>	<p>All eligible 5311 (non-urban) programs</p> <p>Eligible 5307 programs in areas between 50,000 and 200,000 population</p>	<p>\$17.7 million</p> <p>\$9.5 million</p>	<p>A total of 90% of 5311 funds are distributed on a formula basis. That share is allocated to recipients based on recipient's share of total non-urban federal funds in previous biennium. Funds may be spent on any transit-related activity. 10% is available for rural public transportation projects selected by the Texas Transportation Commission on a discretionary basis.</p> <p>A total of 90% of 5307 funds are distributed on a formula basis. That share is allocated to recipients based on the recipient's state-funded expenditures in the previous biennium. Funds may be spent on any transit-related activity. 10% is available for urban public transportation projects selected by the Texas Transportation Commission on a discretionary basis.</p>

¹ The State of Texas provides transit funds on a two-year cycle. The figure shows average annual funds for the FY 2002-2003 biennium. Total funds for that biennium are double the amounts shown (i.e., \$35.4 million for 5311 programs and \$19.0 million for 5307 programs).

■ Texas State Transit Funding: Major Features

- Total state transit funds decreased from \$61.2 million in the FY 2000–2001 biennium to \$54.4 million in the FY 2002–2003 biennium. On an average annual funding basis, as shown in the figure, this is equivalent to a decline from \$30.6 million to \$27.2 million. This translates to a decline in average annual per capita funding from \$1.46 to \$1.25.
- Three sources of funds fund state transit programs in Texas: the state highway fund, the general revenue fund, and oil overcharge monies. The state highway fund supplies more than 65.6 percent of all state funding for transit.
- Of the state funds allocated for transit, 90 percent is allocated by a base formula, and the Texas Transportation Commission distributes 10 percent to projects on a discretionary basis.
- Generally speaking, state funds are available to Section 5307 recipients that have populations between 50,000 and 200,000. Certain 5307 recipients who have more than 200,000 in population, but do not have a transit tax, may also be eligible for state assistance. Although most state funding does not require any matching funds, some 5307 systems, because of their locations in areas served by a transit authority, must match state funds with local funds.

Utah State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
<p>No state funding provided for transit in FY 2002.</p>			

■ **Utah State Transit Funding: Major Features**

- Utah currently provides no state transit funding. All federal matches are made with local dollars.

Virginia State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation	
Motor Fuel Taxes (\$0.025)	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px;">Commonwealth Transportation Trust Fund</div> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px;">Mass Transit Fund (\$107.6 million, 14.7% of CTF)</div>	\$78.5 million	Allocated to transit systems for operating expenses based on each system's operating expenses as a percentage of the statewide total.	
Motor Vehicle Sales and Use Tax			\$27.5 million	Allocated based on grant application subject to approval by the Commonwealth Transportation Board. Each project is funded at the same percentage of state participation, which may change each year. By law, State can provide up to 95% of local match of federal funding. In FY 2000, match was 42%.
Sales Tax (0.25%)				\$1.6 million
Other Fees, Taxes, and Interest				
Regional Motor Fuel Tax (2%)	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px;">Northern Virginia Transportation Commission</div> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px;">Potomac and Rappahannock Transportation Commission</div>	\$17.0 million	Dedicated funding to support the Northern Virginia share of the Washington Metropolitan Area Transit Authority's operating expenses.	
		\$8.0 million	Dedicated funding to support the operating and capital expenses of the Virginia Railway Express (commuter rail), Omniride (commuter and local bus) and other transportation projects and services.	

CTF = Commonwealth Transportation Fund.
 TDM = Transportation Demand Management.

■ **Virginia State Transit Funding: Major Features**

- Total state transit funding increased from \$115.7 million in FY 2000 to \$132.6 million in FY 2002. This translates to a rise in per capita funding from approximately \$16 to \$18.
- The Commonwealth Transportation Trust Fund provides most state funding for transit in Virginia. Various general and motor vehicle taxes are used to support the fund. About 14.7 percent of the fund was allocated to transit in FY 2002.
- Nine counties in the Washington, D.C., metropolitan area are supported by the regional motor fuels tax. Two transportation commissions administer the programs supported by this tax.
- In FY 2002, there was an additional general fund appropriation of \$14.7 million for transit capital projects. This general fund appropriation was not repeated in succeeding years.

Washington State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
State General Fund	<pre> graph LR A[Public Transportation Program] --- B[Rural Mobility Program] A --- C[Technical Assistance] A --- D[Commuter Trip Reduction] </pre>	<p>\$1.5 million</p> <p>\$3.7 million (balance of \$10.8 million appropriation)</p>	<p>Discretionary project funding for capital and operations.</p> <p>Commuter trip reduction is required under state law. Funds are passed through to 8 counties.</p>
	<pre> graph LR E[Passenger Rail Program] </pre>	<p>\$5.4 million</p>	<p>Discretionary project funding for all intercity passenger rail projects - planning, capital, and operations.</p>

■ Washington State Transit Funding: Major Features

- Total state transit funding in FY 2002 was \$10.6 million, or \$1.75 per capita.
- Funding comes from the state general fund and is split between the public transportation program and the passenger rail program. The former program is used for intercity passenger rail projects (planning, capital, and operations), commuter trip reduction activities that are required under state law, and some discretionary project funding for capital and operations.
- In March 2002, the state's voters rejected Referendum 51 by 62 percent. Referendum 51 would have provided \$1,017 million to transit and passenger rail over 10 years, including \$450 million to the state's governmental transit operators.

West Virginia State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2003)	Eligible Uses and Allocation
General Funds	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: 40px;"> Operating Assistance to Rural Transit (FTA Section 5311) Program </div>	\$1.2 million	Discretionary funding to provide matching funds, primarily for operating assistance to those areas of the state that lack the economic resources to provide matching funds for the Section 5311 program.
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: 40px;"> Match for Statewide Capital Discretionary (FTA Section 5309) Grants </div>	\$1.0 million	State matching funds are provided to match capital projects that are included in the statewide Section 5307 grants. Both urban and rural systems receive these matching funds.

■ **West Virginia State Transit Funding: Major Features**

- Total state transit funding in FY 2003 was \$2.1 million, or \$1.16 per capita.
- General revenue funds provide the state's share of transit funding and are used only to match FTA grants.
- No state funds for operating assistance are provided to urban areas.
- Only statewide Section 5309 grants receive state matching funds. Only current 5311 and 5307 recipients are eligible for this funding and must contribute local matching funds.
- General revenue funds provide the match for the Section 5313 program, and no state funds are provided to administer any FTA grant.

Wisconsin State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Motor Fuel Taxes Vehicle Registration Taxes Fees/Revenues	State of Wisconsin Transportation Fund		
	State Transit Operating Assistance	\$96.7 million	Formula allocation based on equalized percentage of combined state and federal operating expenses within 3-tier system based on system size.
	Transportation Employment and Mobility Program	\$0.3 million	Discretionary grant program emphasizing transportation services that link low-income individuals with jobs and that encourage innovative alternatives to driving alone. Eligible projects include transit, bike, pedestrian, TMA formation, planning, and access-to-jobs initiatives, including private-sector pilot efforts.
	County Elderly and Disabled Program	\$7.9 million	Formula program providing aid to counties for specialized transit services to the elderly and disabled communities. Funds can be used for both operating and capital expenditures.
	Elderly and Disabled Capital Assistance Program	\$0.9 million	Discretionary funding for acquiring vehicles for elderly and disabled transportation services. Grants made primarily to private, non-profit organizations.
	Multimodal Transportation Studies	\$0.8 million	State funding primarily for passenger rail and transit corridor alternatives studies.
	Intercity Passenger Rail	\$0.4 million	Funding for Wisconsin's share of the cost of AMTRAK's service between Milwaukee and Chicago.

TMA = Transportation Management Agency.

■ **Wisconsin State Transit Funding: Major Features**

- Total state transit funding increased from \$95.6 million in FY 2000 to \$107 million in FY 2002. This translates to a rise in per capita funding from \$18 to \$20.
- State funding covers about 40 percent of operating costs statewide.
- State funding supports the transportation employment and mobility program, which emphasizes transportation services connecting low-income individuals with jobs and encourages innovative alternatives to driving alone.

Wyoming State Transit Funding: Program Structure and Characteristics

Source	Programs	Amounts to Transit (FY 2002)	Eligible Uses and Allocation
Unrestricted State Highway Funds	<pre> graph LR A[Unrestricted State Highway Funds] --- B[Operating and Capital Assistance] </pre>	\$1.5 million	Allocated to local transit providers to supplement and help match 5307 and 5311 funding.
Mineral Severance Tax	<pre> graph LR A[Mineral Severance Tax] --- B[Transportation Trust Fund] B --- C[Transportation Enterprise Fund] C --- D[Acquisition of Public Transit Vehicles] </pre>	\$1.2 million	Purchase of public transit vehicles.

■ Wyoming State Transit Funding: Major Features

- Total state transit funding in FY 2002 was \$2.7 million, or \$5.40 per capita. Local match funding and allocated federal transit funds make up the balance of statewide transit funding.
- The state public transit account was created by statute in 1994 and amended in 1998. The transportation enterprise fund and the transportation trust fund were created by the state legislature in 1999. Initial year funding distributions from the enterprise fund occurred in 2000.
- Gas tax revenues are restricted to highway use only. Transit funds can only come from other portions of the state highway fund.
- During FY 2002, Wyoming DOT flexed approximately \$500,000 of congestion mitigation air quality (CMAQ) funds to the public transit program.
- During FY 2002, Wyoming received an appropriation of \$2.5 million in FTA Section 5309 capital discretionary funding.
- Other funding sources for Wyoming public transit are local match funds and FTA Sections 5311, 5311i, the Rural Transit Assistance Program (RTAP), 5313(b)(2), 5303, and 5307.

3.0 Highlights of State Transit Funding, 2002

■ State Transit Programs in Previously Surveyed States

The original states that have provided information for both the 1999 and 2002 reports are listed below, followed by the most significant findings and historical comparisons regarding this group.

- Arizona
- California
- Connecticut
- Delaware
- Florida
- Illinois
- Indiana
- Maryland
- Michigan
- Minnesota
- New Jersey
- New York
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- Tennessee
- Texas
- Virginia
- Washington
- Wisconsin

Sources of State Funds. Table 3.1 shows the funding sources used by the original states. The three most utilized sources were the **gas tax** (used by 11 states), the **general fund** (also used by 11 states), and **other** less traditional sources such as miscellaneous revenue or nontransportation sources (used by 10 states). Seven states reported using **registration or license fees**, six states reported using the **general sales tax**, and six states reported using **transportation sales taxes**.

Types of Investment. State investments continue to cover the full range of transit needs. All of the states reported using funds for operating expenses and capital expenditures. Though the uses had shifted in all states to some degree, Washington State reported the most significant changes because of its budget reductions. As a result, several transit capital and planning programs in Washington State have been eliminated entirely.

Table 3.1 Contribution of Major Sources to Overall Transit Funding by State (Original States)¹

State	Gas Tax	Registration/ License Fees	General Sales Tax	Transportation Sales Taxes	General Fund	Tolls	Lottery	Bond Proceeds	Other ²
Arizona					4%		96%		
California	x		x	x	x			9%	
Connecticut	x	x		x					x
Delaware	x	x				x			
Florida	x	x		x					
Illinois					x			x	
Indiana			100%						
Maryland	x	x						x	x
Michigan	x	x	x						x
Minnesota				x	x				
New Jersey	x	x			28%	x			x
New York			x		9%				x
Ohio					85%				15%
Oregon					x				x
Pennsylvania			x	x	x		x	x	
Rhode Island	95%							5%	
Tennessee	100%								
Texas					x				x
Virginia	x		x	x					x
Washington					100%				
Wisconsin	x	x							x

Notes: ¹ A percentage figure is shown when the share or contribution of a particular source to total funding can be discerned from the information provided. Where the exact share cannot be computed, an “x” is placed to illustrate the state’s reliance on that source.

² “Other” includes state highway funds, miscellaneous revenue, interest revenue, general state transportation funds, etc.

Allocation of State Transit Funding. With the exception of Washington State, in which several programs were eliminated, no significant changes were reported in fund allocation procedures in these 21 states. Almost all states reported a mix of formula and discretionary allocations. In some states, nearly 100 percent of the funds were allocated through just one of these methods. Formula allocation, however, was more popular, with the majority of funds allocated to recipients by formulas in all but six of these states. Capital programs were more likely than operating programs to be funded through discretionary allocations.

Population, ridership, and previous funding levels were among the most commonly reported formula factors. Number of vehicles or vehicle miles traveled were also reported, as were operating expenses. Locally generated income and local transit tax receipts were used in some states as part of allocation formulas. States with large cities often set aside dedicated amounts or shares for transit providers in those urban areas. For states with a statewide public transit provider, such as Delaware and Rhode Island, the formulas or discretionary allocations may be set by the state legislature itself.

Amounts of State Transit Funding. Because at least a portion of all states (21 in total) provided information for both the 1999 and 2002 studies, historical comparisons could be drawn relative to funding amounts in these two time periods. Changes in funding levels between FY 2000 and FY 2002 are shown in Table 3.2 using two measures: (1) percent change in *total* funding and (2) percent change in *per capita* funding. The former measure simply computes the difference in raw funding amounts reported over the two years as a percentage. The latter measure is more useful when making historical comparisons across states because it relates population increase to changes in funding levels over time and thereby “normalizes” the effect of varied population growth rates of individual states. Both measures are roughly similar in raw figures (for instance, a 45-percent increase in reported *total* funding and a related 43-percent increase in *per capita* funding), but they are not identical. Percent changes in *per capita* funding may either lag or exceed percent changes in *total* funding, thereby creating a different portrait of state funding activity.

Changes in overall state funding for participants in the most recent report have shown a rather wide variance, ranging from a *total* funding increase of 87 percent for California (corresponding to 88 percent in *per capita* funding) to virtually no change in funding in Pennsylvania, to almost a 40-percent decrease in *total* funding (and related 31-percent *per capita* decrease) in Arizona.

The breakdown of reported changes in *total* funding between the previously surveyed states is as follows:

- A total of 16 states reported increased *total* funding for transit by a range of 2 percent (Illinois) to 87 percent (California).
- Four states—Tennessee, Maryland, New Jersey, and California—reported a greater than 20-percent increase.

**Table 3.2 Reported Trends in State Transit Funding Levels, 1999–2002
(Original States)**

State	FY 2002 Funding	FY 2002 Per Capita	FY 2000 Funding	FY 2000 Per Capita	Percent Change in Total Funding FY 2000– FY 2002	Percent Change in Per Capita Funding FY 2000– FY 2002
California	\$2,100,000,000	\$64.00	\$1,121,000,000	\$34.00	87.33%	88.24%
New Jersey	852,000,000	99.00	620,000,000	73.52	37.42	34.66
Maryland	627,000,000	118.00	484,000,000	94.00	29.55	25.53
Tennessee	26,400,000	4.55	21,700,000	3.80	21.66	19.74
Florida	92,000,000	5.70	79,000,000	5.00	16.46	14.00
Indiana	37,000,000	6.00	32,000,000	5.00	15.63	20.00
Delaware	72,000,000	89.00	62,800,000	80.00	14.65	11.25
Virginia	132,600,000	18.25	115,700,000	16.28	14.61	12.10
Rhode Island	36,000,000	34.00	31,500,000	32.00	14.29	6.25
Wisconsin	107,000,000	19.66	95,630,000	18.00	11.89	9.22
Oregon	23,960,000	6.80	21,600,000	6.31	10.93	7.77
New York	1,743,400,000	91.00	1,580,000,000	83.00	10.34	9.64
Minnesota	229,200,000	46.00	208,200,000	44.00	10.09	4.55
Michigan	205,700,000	20.70	191,000,000	19.00	7.70	8.95
Connecticut	178,100,000	52.00	166,800,000	51.00	6.77	1.96
Illinois	737,000,000	59.00	721,900,000	60.00	2.09	-1.67
Pennsylvania	791,800,000	64.00	793,100,000	64.00	-0.16	0.00
Texas*	27,200,000	1.25	30,600,000	1.46	-11.11	-14.38
Ohio	24,400,000	2.00	36,000,000	3.00	-32.22	-33.33
Arizona	1,560,000	0.35	2,590,000	0.50	-39.77	-30.00
Washington**	10,600,000	1.75	N/A	N/A	N/A	N/A

Note: * Texas provides funds on a biennial basis. Figures shown are average annual funds for the biennium.
 ** Although Washington State was surveyed in the FY 2000 study, funding figures were not yet available. However, FY 2002 numbers are shown here for comparison to the other original states.

Source: The population statistics to derive per capita figures are published by the U.S. Census Bureau, “State Population Estimates: April 1, 2000 to July 1, 2002.”

- Nine states—Minnesota, New York, Oregon, Wisconsin, Rhode Island, Virginia, Delaware, Indiana, and Florida—reported a 10-percent to 20-percent increase.
- The remaining three states—Illinois, Connecticut, and Michigan—reported smaller increases in the 2-percent to 9-percent range.
- Pennsylvania reported no increases in funding levels in FY 2002.
- Three states—Arizona, Ohio, and Texas—reported decreases between 11 percent and 40 percent.

Varied circumstances and factors help explain above-average increases or decreases in *total* funding among some states such as California, New Jersey, and Maryland, or Texas, Ohio, and Arizona. California's regional transportation agencies increased the share of state transportation improvement program (STIP) funds allocated to transit. New Jersey provided significant funds for Hudson-Bergen Light Rail, a new rail line. Maryland increased the share of money coming from bond proceeds and the motor vehicle excise tax. The state also substantially increased funding for urban programs and initiated the \$17.7 million Governor's Transit Initiative. In contrast, the Texas legislature appropriated fewer funds for transit in the biennium reported here, Ohio reported the elimination of the state discretionary capital program, and Arizona lost the use of vehicle license tax funds for transit.

A summary of changes in reported *per capita* funding among these same states is noted below:

- Between FY 2000 and FY 2002, 15 states reported increases in *per capita* funding ranging between a 2-percent increase (Connecticut) and an 88-percent increase (California).
- Seven states—Connecticut, Minnesota, Rhode Island, Oregon, Michigan, Wisconsin, and New York—reported increases in the 2-percent to 10-percent range.
- Another five states—Delaware, Virginia, Florida, Tennessee, and Indiana—reported increases into the 11-percent to 20-percent range.
- Another three states—Maryland, New Jersey, and California—reported increases between 25 percent and 88 percent.
- Pennsylvania reported no increases in per capita funding in FY 2002.
- One state—Illinois—reported a slight decrease of less than 2 percent.
- Three states—Ohio, Arizona, and Texas—reported decreases measuring 14 percent to 33 percent.

Explanatory variables for above-average increases or decreases in *per capita* funding over time mirror the discussion of *total* funding above.

■ State Transit Programs in Newly Surveyed States

Twenty-five states and the District of Columbia were added to the FY 2002 survey for the first time:

- Alabama
- Alaska
- Arkansas
- Colorado
- District of Columbia
- Georgia
- Hawaii
- Idaho
- Iowa
- Kansas
- Kentucky
- Maine
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Mexico
- North Dakota
- Oklahoma
- South Carolina
- South Dakota
- Utah
- West Virginia
- Wyoming

Sources of State Funds. The state **general fund** was the predominant source of funds reported among the 26 new states that responded to the FY 2002 survey. The state general fund was employed by 11 states toward transit as either the sole funding source or in conjunction with other sources. General fund revenues ranged from 20 percent of total transit funding (Maine) to 100 percent of total funding (Alabama, Georgia, Kentucky, Missouri, and West Virginia).

The reported breakdown of other major sources is as follows:

- Two states (Maine and New Hampshire) and the District of Columbia reported a reliance on **bond proceeds**. Bond proceeds made up 28 percent of total funding for the District of Columbia, 33 percent for New Hampshire, and 80 percent for Maine.
- Two states—Arkansas and Iowa—reported an exclusive (100-percent) reliance on **transportation sales taxes** to fund transit.
- North Dakota reported an exclusive use of **registration/license fees**. Meanwhile, this funding source accounted for a reported 81 percent of the total funding for Montana.
- Kansas and South Carolina reported a 100-percent reliance on the **gas tax**, while Oklahoma reported a 30-percent reliance, and Montana reported a 19-percent reliance.
- Six states—Idaho, Nebraska, Nevada, New Hampshire, South Dakota, and Wyoming—reported use of “**other**,” **less traditional funding pools**. These include sources such as state highway trust fund monies, miscellaneous revenue, and interest revenue. In the case of these states, “other” sources accounted for between 30 percent and 100 percent of total funding.

Table 3.3 portrays the reported distribution of total funding by source for all newly surveyed states.

Types of Investment. Of the 25 states (including the District of Columbia) that have responded, six reported no state funding for transit. Half of the 24 states reported funding for both operations and capital expenses, and the District of Columbia reported funding for operations, capital, and planning. One state reported funding for both capital and planning, and three states reported funding for capital only. One state only reported funding for operations, and another only reported funding management and administrative activities.

Allocation of State Transit Funding. Six states reported no state funding. One-third of all new states reported using both formula and discretionary mechanisms. Six states reported discretionary funds only, and another two states reported formula-driven funding.

Vehicle revenue miles, ridership, farebox recovery, and population were the typical formula factors.

Amounts of State Transit Funding. The variance in FY 2002 reported *total* transit funding among newly surveyed states ranged from zero dollars to almost \$212 million. Five states reported less than \$500,000 in funding, while 13 states reported between \$1.4 million and about \$11.1 million. The reported *per capita* funding ranged between zero dollars and \$371. However, if the District of Columbia is excluded, the top funding level decreases to \$6.00 per capita for these states. In conjunction with the per capita levels for some of the previously surveyed states, this dramatizes the difference between those states that were more urbanized and more transit intensive and those that were not.

Table 3.4 illustrates the reported *total* and *per capita* transit funding for the new states and the District of Columbia.

Table 3.3 Contribution of Major Sources to Overall Transit Funding by State (26 New States)

State	Gas Tax	Registration/ License Fees	General Sales Tax	Transportation Sales Taxes	General Fund	Tolls	Lottery	Bond Proceeds	Other ¹
Alabama					100%				
Alaska									
Arkansas				100%					
Colorado*									
District of Columbia					72%			28%	
Georgia					100%				
Hawaii*									
Idaho									100%
Iowa				100%					
Kansas	100%								
Kentucky					100%				
Maine					20%			80%	
Mississippi*									
Missouri					100%				
Montana	19%	81%							
Nebraska					44%				56%
Nevada					70%				30%
New Hampshire					33%			33%	33%
New Mexico*									
North Dakota		100%							
Oklahoma	30%				70%				
South Carolina	100%								
South Dakota									100%
Utah*									
West Virginia					100%				
Wyoming									100%

Notes: ¹ "Other" includes state highway fund, miscellaneous revenue, interest revenue, general state transportation funds, etc.

* Denotes states that do not provide state funds for transit.

Table 3.4 Level of Investment Reported by New States and the District of Columbia (26 New States)

State	FY 2002 Funding	FY 2002 Per Capita
District of Columbia*	\$211,800,000	\$371.00
South Dakota	4,480,000	5.89
Wyoming	2,700,000	5.40
Iowa	9,900,000	3.37
North Dakota	1,660,000	2.60
Kansas	6,000,000	2.22
Missouri	11,100,000	1.96
Maine	2,500,000	1.93
South Carolina	6,010,000	1.49
West Virginia	2,100,000	1.16
Arkansas	2,850,000	1.05
Nebraska	1,800,000	1.00
Georgia	8,260,000	0.96
Oklahoma	2,850,000	0.82
Montana	390,000	0.43
Kentucky	1,400,000	0.34
New Hampshire	300,000	0.24
Nevada	430,000	0.20
Idaho	236,000	0.18
Alabama	60,000	0.01
Alaska	0	0.00
Colorado	0	0.00
Hawaii	0	0.00
Mississippi	0	0.00
New Mexico	0	0.00
Utah	0	0.00

Note: * The District of Columbia per capita figure is artificially high. WMATA extends well beyond the District boundaries into Maryland and Virginia and therefore serves a population much larger than that of the District. Per capita figure is calculated only for District investment per District resident population.

Source: The population statistics to derive per capita figures are published by the U.S. Census Bureau, "State Population Estimates: April 1, 2000 to July 1, 2002."

■ State Transit Funding in All Surveyed States

A snapshot of all states surveyed in the FY 2002 effort, shown in Table 3.5, reveals that *total* transit funding by state varies widely across the nation, ranging from zero dollars in funding to \$2.1 billion. Five states—Colorado, Mississippi, New Mexico, Utah, and Hawaii—do not fund transit at the state level. On the other hand, states such as California, New York, New Jersey, Pennsylvania, and Illinois, among others, have made large state investments in transit ranging from \$700 million to more than \$2.0 billion.

Table 3.6 shows state funding ranked by *per capita* funding levels. In terms of per capita funding, the District of Columbia reported committing the most resources,¹ followed by Maryland, New Jersey, New York, and Delaware. California and Pennsylvania reported committing the same amount per capita, in spite of the large variance in *total* funding. In sum, 14 states (including the District of Columbia) reported between \$18 per capita and \$371 per capita commitments, whereas the remaining states reported zero dollars per capita to slightly less than \$7.00 per capita. Generally, the states with more urban characteristics and more extensive public transit services reported higher *total* and *per capita* figures.

¹ The District of Columbia per capita figure is artificially high. WMATA extends well beyond the District boundaries into Maryland and Virginia and therefore serves a population much larger than that of the District. Per capita figure is calculated only for District investment per District resident population.

Table 3.5 Level of Investment Reported by All States and the District of Columbia, Ranked by Total Funding (47 Respondents)

State	FY 2002 Funding	FY 2002 Per Capita
California	\$2,100,000,000	\$64.00
New York	1,743,400,000	91.00
New Jersey	852,000,000	99.00
Pennsylvania	791,800,000	64.00
Illinois	737,000,000	59.00
Maryland	627,000,000	118.00
Minnesota	229,200,000	46.00
District of Columbia*	211,800,000	371.00
Michigan	205,700,000	20.70
Connecticut	178,100,000	52.00
Virginia	132,600,000	18.25
Wisconsin	107,000,000	19.66
Florida	92,000,000	5.70
Delaware	72,000,000	89.00
Indiana	37,000,000	6.00
Rhode Island	36,000,000	34.00
Texas**	27,200,000	1.25
Tennessee	26,400,000	4.55
Ohio	24,400,000	2.00
Oregon	23,960,000	6.80
Missouri	11,100,000	1.96
Washington	10,600,000	1.75
Iowa	9,900,000	3.37
Georgia	8,260,000	0.96
South Carolina	6,010,000	1.49
Kansas	6,000,000	2.22
South Dakota	4,480,000	5.89
Arkansas	2,850,000	1.05
Oklahoma	2,850,000	0.82
Wyoming	2,700,000	5.40
Maine	2,500,000	1.93
West Virginia	2,100,000	1.16
Nebraska	1,800,000	1.00
North Dakota	1,660,000	2.60
Arizona	1,560,000	0.35
Kentucky	1,400,000	0.34
Nevada	430,000	0.20
Montana	390,000	0.43
New Hampshire	300,000	0.24
Idaho	236,000	0.18
Alabama	60,000	0.01
Alaska	0	0.00
Colorado	0	0.00
Hawaii	0	0.00
Mississippi	0	0.00
New Mexico	0	0.00
Utah	0	0.00

Note: * The District of Columbia per capita figure is artificially high. WMATA extends well beyond the District boundaries into Maryland and Virginia and therefore serves a population much larger than that of the District. Per capita figure is calculated only for District investment per District resident population.

** Texas provides funds on a biennial basis. Figures shown are average annual funds for the biennium.

Source: The population statistics to derive per capita figures are published by the U.S. Census Bureau, "State Population Estimates: April 1, 2000 to July 1, 2002."

Table 3.6 Level of Investment Reported by All States and the District of Columbia, Ranked by Per Capita Funding (47 Respondents)

State	FY 2002 Funding	FY 2002 Per Capita
District of Columbia*	\$211,800,000	\$371.00
Maryland	627,000,000	118.00
New Jersey	852,000,000	99.00
New York	1,743,400,000	91.00
Delaware	72,000,000	89.00
California	2,100,000,000	64.00
Pennsylvania	791,800,000	64.00
Illinois	737,000,000	59.00
Connecticut	178,100,000	52.00
Minnesota	229,200,000	46.00
Rhode Island	36,000,000	34.00
Michigan	205,700,000	20.70
Wisconsin	107,000,000	19.66
Virginia	132,600,000	18.25
Oregon	23,960,000	6.80
Indiana	37,000,000	6.00
South Dakota	4,480,000	5.89
Florida	92,000,000	5.70
Wyoming	2,700,000	5.40
Tennessee	26,400,000	4.55
Iowa	9,900,000	3.37
North Dakota	1,660,000	2.60
Kansas	6,000,000	2.22
Ohio	24,400,000	2.00
Missouri	11,100,000	1.96
Maine	2,500,000	1.93
Washington	10,600,000	1.75
South Carolina	6,010,000	1.49
Texas**	27,200,000	1.25
West Virginia	2,100,000	1.16
Arkansas	2,850,000	1.05
Nebraska	1,800,000	1.00
Georgia	8,260,000	0.96
Oklahoma	2,850,000	0.82
Montana	390,000	0.43
Arizona	1,560,000	0.35
Kentucky	1,400,000	0.34
New Hampshire	300,000	0.24
Nevada	430,000	0.20
Idaho	236,000	0.18
Alabama	60,000	0.01
Alaska	0	0.00
Colorado	0	0.00
Hawaii	0	0.00
Mississippi	0	0.00
New Mexico	0	0.00
Utah	0	0.00

Note: * The District of Columbia per capita figure is artificially high. WMATA extends well beyond the District boundaries into Maryland and Virginia, and therefore serves a population much larger than that of the District. Per capita figure is calculated only for District investment per District resident population.

** Texas provides funds on a biennial basis. Figures shown are average annual funds for the biennium.

Source: The population statistics to derive per capita figures are published by the U.S. Census Bureau, "State Population Estimates: April 1, 2000 to July 1, 2002."

4.0 Overview of State and Local Ballot Initiatives

■ Overview

Many transit-related referenda were on ballots in states and localities across the nation in 2002. Twenty-eight are profiled here.¹ Election results were mixed for these ballot measures. Twelve transit referenda and one tax-cutting measure were approved by voters, while 15 other transit measures were rejected. Overall, 43 percent of the transit initiatives reviewed here were approved by voters.

Most initiatives proposed sales taxes as the funding mechanism for dedicated taxes. Several used property taxes, auto excise taxes, or a mix of taxing sources. Five initiatives proposed no special tax because they were general bond measures, because they did not require funding, or because they redirected funding from existing sources. Measures that provided mixed funding for roads and transit passed at about the same rate as transit-only initiatives. Only 14 of the 28 measures were purely transit referenda; the rest were combined transit and road initiatives.

Some jurisdictions that have repeatedly vetoed funding for transit did so again; others passed transit initiatives despite previous defeats. In one jurisdiction, the success was attributed in part to the focus on developing the plan through extensive public involvement. Similarly, several other jurisdictions claimed that success was because of grassroots community efforts or the vocal support of local leaders.

¹ Most of the profiles were derived from various issues of *Passenger Transport* (PT): “Transit Tallies Gains, Losses on Ballot Initiatives,” PT 60:44, November 11, 2002; “Detroit’s SMART Wins Millage Vote; Missouri Proposition Fails,” PT 60:32, August 12, 2002; “Tucson Voters Defeat Transportation Plan,” PT 60:21, May 27, 2002; “Stark County, Ohio, Renews Transit Levy,” PT 60:20, May 20, 2002; “Transit Tax Voted Down in Arlington, Texas,” PT 60:19, May 13, 2002. Other sources include “Relief for the Road Weary,” *Miami Herald*, November 7, 2002, p. 8B; Steve Kemme, “Buses Stop End of Year: Butler Transit Issue Rejected,” *The Cincinnati Enquirer*, November 7, 2002; “AC Transit Plans Service Cuts and New Parcel Tax to Plug Budget Deficit,” available online at http://journalism.berkeley.edu/projects/actransit/fang_feature.html; the League of Women Voters of California, “Proposition 51,” available online at <http://ca.lwv.org/lwvc/edfund/elections/2002nov/pc/prop51.html>; Denton County Transportation Authority, “DCTA Brochure,” available at <http://www.dcta.net/dcta-2nd%20printingV2.pdf>; and Hampton Roads Partnership, available at <http://www.hrp.org/report/data.html>.

Table 4.1 shows the ballot results in greater detail.

Table 4.1 2002 Ballot Results, by Type of Initiative

	Total	Approved by Voters		Not Approved by Voters	
		Number	Percent	Number	Percent
All Initiatives*	28	13	46%	15	54%
Multimodal Transportation Initiatives	27	12	44	15	56
Transit-Only Initiatives	14	6	43	8	57
Dedicated Sales Tax	16	6	38	10	62
Dedicated Property Tax	4	2	50	2	50
Dedicated Auto Excise Tax	2	1	50	1	50
No Special Tax	5	3	60	2	40

Note: * Includes one tax-cutting initiative that was passed by voters in Washington State.

The following two sections present short profiles of the 28 ballot measures. The first section includes measures that were approved by voters; the second presents measures that were not approved by voters.

■ Approved by Voters

Voters checked “yes” on their ballots for 12 transit measures and one tax-cutting initiative. Miami voted to increase taxes to expand local transit services. Reno and Las Vegas both voted for tax increases to fund transportation initiatives that included roads and transit. Contra-Costa and Alameda Counties in California instituted a property tax to make up lost revenues. Rhode Island voters passed a bond initiative that will allow the state public transit agency to buy more buses. Seattle voted to increase the auto excise tax to fund a new monorail line, while another Washington initiative eliminated existing taxes. Riverside, California, and Stark County, Ohio, both extended existing dedicated sales taxes. Charleston, South Carolina, and suburban Detroit voters increased taxes for transportation. Charlotte, North Carolina, voters passed a bond referendum, and Denton County, Texas, passed a nonfunding measure to create a regional transportation authority.

Charleston County, South Carolina

Charleston voters narrowly passed a referendum to increase sales taxes by one-half cent to fund transportation and parks. Sixty-five percent of the funds will be devoted to roads,

18 percent to the Charleston Area Regional Transportation Authority (CARTA) and public transportation, and 17 percent to parks and green space preservation. For CARTA, the funds help replace the loss several years ago of the system's main funding source, the local power supplier. The funds will be used to help complete construction of an intermodal center, build park-and-ride lots, initiate commuter express bus service, and purchase smaller buses for residential areas.

Charlotte, North Carolina

Voters in Charlotte passed a bond referendum with 71 percent of the vote. The bond includes \$50 million in street improvements, \$20 million for infrastructure on the South Corridor Light Rail Line (scheduled to begin operation in 2006), and \$10 million in sidewalk improvements. Charlotte voters have approved every transportation-related bond since 1972.

Contra-Costa and Alameda Counties, California

Passing with 68 percent of the vote, Measure AA creates a special \$24 annual property tax to help cover operating deficits at AC Transit, which were caused by recent declines in fuel and sales tax revenues. The tax will be collected for 5 years, from 2003 to 2008, within AC Transit's Special Transit Service District One. It is expected to generate \$7.5 million annually.

Denton County, Texas

Voters passed a ballot initiative, by 73 percent, to create a regional transit authority in Denton County, located near Dallas. Funding for the Denton County Transportation Authority (DCTA) and its services will need to be approved in future votes in Denton County municipalities. The DCTA draft service plan includes regional rail, express and local bus services, demand-responsive services, and park-and-ride facilities.

Detroit Area, Michigan

On August 6, 2002, suburban Detroit voters approved a measure to increase an existing property tax (instituted in 1995) by 0.27 mills, for a total of 0.6 mills. (One mill is 1/10 of a cent.) The tax increase is expected to generate \$45 million annually to support the Suburban Mobility Authority for Regional Transportation (SMART) bus service. Community efforts in support of the measure helped ensure its passage.

Las Vegas Area, Nevada

Las Vegas voters approved the 2002 Fair Share Funding Program by a margin of 53 to 47. The program will generate \$2.7 billion for transit and road projects over the next 25 years from a quarter-cent sales tax increase, a development tax increase, and a one-cent-per-gallon tax on jet fuel. In addition to road projects, the Regional Transportation Commission of Southern Nevada intends to use the funds to purchase buses, increase bus

frequency, add bus rapid transit (BRT) service, and augment programs for the elderly. The ballot question was advisory in nature and, therefore, must also be approved by the state legislature.

Miami-Dade County, Florida

By a margin of 66 to 34, a half-cent increase to the local sales tax was passed that is dedicated to mass transit. The money will pay for capital projects, improvements in bus service, and operation of new Metrorail lines. Half of the funds are expected to go toward bus service. The tax is projected to generate \$150 million per year for transit services. Although transit taxes have been voted down twice in the prior 15 years, this initiative received greater support in part because it was developed in dozens of public meetings, it created an independent citizen's oversight board, and it dedicated funds for transportation use only.

Rhode Island

By a margin of 72 to 28, Rhode Island voters gave the state the authority to issue \$63.5 million in general obligation bonds. The money will be used for road projects; bridge repair; construction of bike paths, walking trails, and greenways; and bus purchases for the Rhode Island Public Transit Authority.

Riverside, California

Measure A extended for an additional 30 years the half-cent county sales tax dedicated to a transportation fund. It will now expire in 2039 (the tax was previously due to expire in 2009). This tax is now expected to provide \$4.6 billion for road and transit programs, with \$390 million for commuter rail and public transportation.

Seattle Monorail, Washington State

Seattle voted 52 to 48 to levy an annual 1.4-percent auto excise tax to pay for a 14-mile monorail system. The \$1.7 billion elevated "Green Line" will run from West Seattle to Ballard via downtown. Although this measure authorized funding for construction, two prior votes had already approved the system.

Stark County, Ohio

Stark County² voters renewed the Stark Area Regional Transit Authority's (SARTA's) one-quarter-percent sales tax by more than 63 percent. The tax, which funds operations, was originally approved in 1997 after three tries. Endorsements from officials and businesses as well as outreach efforts helped the renewal effort, SARTA noted.

² Stark County includes Canton, Ohio.

Washington State Initiative 776

This tax-cutting measure passed with 54 percent of the vote. It eliminated the \$15 local option vehicle license fee collected by King, Pierce, Snohomish, and Douglas counties, as well as the \$3 motor vehicle excise tax collected by all counties statewide. It will significantly reduce funds available for Sound Transit, particularly by reducing \$100 million from Pierce County's \$712 million share of Sound Transit funds.

Washoe County, Nevada

Washoe County, which includes Reno, approved a ballot question for a one-eighth-cent sales tax increase to fund public transportation and road projects. The ballot question would raise \$820 million over the next 30 years to implement the Regional Transportation Commission's 30-year regional transportation plan. The ballot question was advisory only and authorizes the county to seek state approval for the tax increase.

■ Not Approved by Voters

Fifteen major initiatives failed to pass in the 2002 elections. Voters in Northern Virginia, Hampton Roads, Washington State, and Tucson rejected tax increases dedicated to funding both road and transit projects. Utah failed to approve a constitutional amendment to allow transit agencies to raise funds through "sale-leaseback" arrangements. California rejected a plan that would have redirected existing taxes toward road and transit projects. Two other California initiatives to extend or create sales taxes dedicated to road and transit projects failed: Measure C in Fresno and Measure E in Solano County. Voters rejected tax increases dedicated solely to transit in seven jurisdictions: Arlington, Texas; Baton Rouge, Louisiana; Butler County, Ohio; Delaware County, Ohio; Hamilton County, Ohio; Kansas City, Missouri; and Pulaski County, Arkansas.

Arlington, Texas

Arlington voters rejected by 58 percent a referendum that would have raised the sales tax by one-quarter cent to 7.5 cents—the third transit referendum in a row defeated in this jurisdiction, as in 1980 and 1985. This initiative would have created an Arlington Transportation Authority and funded a system of buses, circulator routes, and regional links to Dallas and Fort Worth transit systems. Currently, the only transit service provided by Arlington is paratransit for the elderly and persons with disabilities.

Baton Rouge, Louisiana

By a 53 to 47 vote, a measure to increase property taxes by 1.25 mills throughout the Baton Rouge parish was rejected. The tax would have generated about \$2.2 million annually for the area's public transit provider, the Capital Transportation Corporation (CTC).

Butler County, Ohio

The Butler County Regional Transit Authority stopped transit service in December 2002 as a result of the November failure of a sales tax referendum. Voters in Butler County, near Cincinnati in southwestern Ohio, rejected a one-quarter-cent sales tax for the third time in 2 years, by a count of 62 to 38. The tax would have provided funding for the Blast buses run by the Butler County Regional Transit Authority.

California Proposition 51

California Proposition 51, “Traffic Congestion and Safe School Bus Funding,” was rejected by 59 percent. This initiative would have redirected 30 percent of the existing state sales tax on auto sales and leases to a trust fund for transportation, environmental, and safety programs. It would have allocated \$17.4 billion over the next 20 years, with more than half intended for rail and transit. Forty-five specific projects were earmarked for the funds.

Delaware County, Ohio

Voters defeated a 5-year, 0.98-mill property tax by 70 percent. The tax would have generated \$3.5 million annually for the Delaware Area Transit Agency (DATA) and allowed DATA to expand its fleet, hours, and service area. However, DATA will still be able to maintain its current service levels.

Fresno, California

Measure C was defeated in Fresno with 54 percent of the vote (the measure needed two-thirds to pass). The measure would have extended the half-cent sales tax for transportation by 30 years after its 2007 expiration. Thirteen percent of the funds raised would have gone to public transportation.

Hamilton County, Ohio

Sixty-eight percent of votes were cast against a half-cent sales tax increase in Hamilton County, near Cincinnati. The tax was proposed by Cincinnati’s Southwest Ohio Regional Transit Authority (SORTA) to pay for the Hamilton County-only portion of the regional transit plan. The sales tax increase would have funded expanded bus service and the construction and operation of light rail in Hamilton County.

Hampton Roads, Virginia

Voters defeated a measure to increase the 4.5-cent sales tax by one cent in order to pay for \$7.7 billion in road projects and public transit improvements over the next 20 years. The ballot initiative specified five road projects, one of which included a rail/transit component, plus \$200 million for unspecified transit projects.

Kansas City, Missouri

A half-cent sales tax to build a rail transit system was defeated by 65 percent. The tax would have generated \$325 million over 10 years for a 20-mile streetcar system.

Northern Virginia

Voters in northern Virginia rejected a referendum to increase the 4.5-cent sales tax by one-half cent with a vote of 55 percent against. The measure would have raised \$5.0 billion for transportation improvements in northern Virginia over the next 20 years. A total of \$1.5 billion would have been used for existing and new public transit in the region, including Metrorail and commuter rail. Sixty percent was earmarked for specific road improvements and high-occupancy vehicle (HOV) facilities.

Pulaski County, Arkansas

A proposed quarter-cent sales tax was rejected by a two-to-one vote in Pulaski County, which includes Little Rock. The tax would have allowed the Central Arkansas Transit Authority (CATA) to expand operations. CATA continues to receive funding yearly through an agreement with six local governments.

Solano County, California

Measure E, the Solano Traffic Relief Plan, did not reach the necessary two-thirds threshold and failed with 59 percent of the vote. The measure would have levied a half-cent sales tax to fund transportation and congestion reduction projects and programs already detailed in the county's transportation plan.

Tucson, Arizona

Tucson voters defeated a 10-year road and transit plan (Propositions 100 and 400) that would have raised the two-cent sales tax by one-half cent. This was the third time in two decades that voters rejected a plan that sent funds toward public transportation. Forty-five percent of the funds raised by the tax increase would have paid for road improvements; 37 percent for maintenance, bike lanes, sidewalks, and streetlights; and 18 percent for transit and paratransit.

Utah

Utah voters rejected, by a margin of 58 to 42, an amendment to the state constitution that would have allowed public agencies to use "sale-leaseback" arrangements to raise funds. This technique is used to gain tax benefits from the depreciation of assets. Public agencies would have sold transit assets to private entities for up-front capital, leased the assets back for a number of years, and eventually bought them back. The Utah Transit Authority (UTA) in Salt Lake City would have used the process to speed up capital projects; however, UTA's current plans are already funded by a previously passed referendum.

Washington State Initiative 51

By 63 percent, voters rejected a statewide initiative to raise \$7.7 billion over the next 10 years by raising gas taxes by 9.0 cents per gallon, imposing a 1-percent surtax on auto sales, and increasing the truck weight tax by 30 percent. About 15 percent of the total, or \$1.2 billion, would have gone to transit improvements and operations, ferry terminal improvements, park-and-ride lots, and vanpools. The remainder was to be spent on highway improvements and expansions.

Appendix A

State Transit Program Contacts

The following individuals were the primary contacts for gathering and editing the material in this report:

State	Primary Contact(s)
Alabama	Joe Nix
Alaska	Tom Brigham, Bruce Wells
Arizona	Joe Neblett
Arkansas	James L. Gilbert
California	Tom McDonnell, Peter Steinert
Colorado	Pat Loose
Connecticut	Mike Sanders
Delaware	Cathy Hunter
District of Columbia	Alex Echman, Amir Tuteja
Florida	Ed R. Coven
Georgia	Steve Kish
Hawaii	Lisa Nakao, Ken Tatsuguchi
Idaho	Janet Weaver
Illinois	Chuck Kadlec
Indiana	Larry Buckel, Marcy Gardner
Iowa	Peter H. Hallock
Kansas	James E. Tobaben, James Van Sickle
Kentucky	Gale Mayeux
Maine	Barbara Donovan
Maryland	Nancy Noonan
Michigan	Sharon L. Edgar, Philip Kazmierski
Minnesota	Carol Becker, Judy Ellison
Mississippi	Charles Carr

State	Primary Contact(s)
Missouri	Steve Billings
Montana	Thomas J. Stuber
Nebraska	Jerry Wray
Nevada	Jim Mallery
New Hampshire	Christopher Morgan
New Jersey	Jeremy Colangelo
New Mexico	Josette Lucero, Terry Schiavone
New York	Ronald L. Epstein
North Dakota	Bill Weimer
Ohio	Seth Budge
Oklahoma	Kenneth LaRue
Oregon	Dinah Van Der Hyde
Pennsylvania	John Dockendorf
Rhode Island	Robert Letourneau
South Carolina	Jim Frierson
South Dakota	Bruce Lindholm
Tennessee	Jim Ladieu
Texas	Bobby Killebrew
Utah	Douglas L. Mears
Virginia	Charles Badger, Karen Rae
Washington	Paul Gamble, Jim Slakey
West Virginia	Susan L. O'Connell
Wisconsin	Linda A. Lovejoy
Wyoming	Rich Douglass
