

# Transit Funding in Minnesota

*Challenges and Opportunities*

# Transit Funding Basics

- Transit in the Twin Cities Metropolitan Area is under the jurisdiction of the Metropolitan Council.
- Metropolitan Area Transit includes Dial-A-Ride services, Metro Mobility, Regular Route service, and rail service – Hiawatha LRT

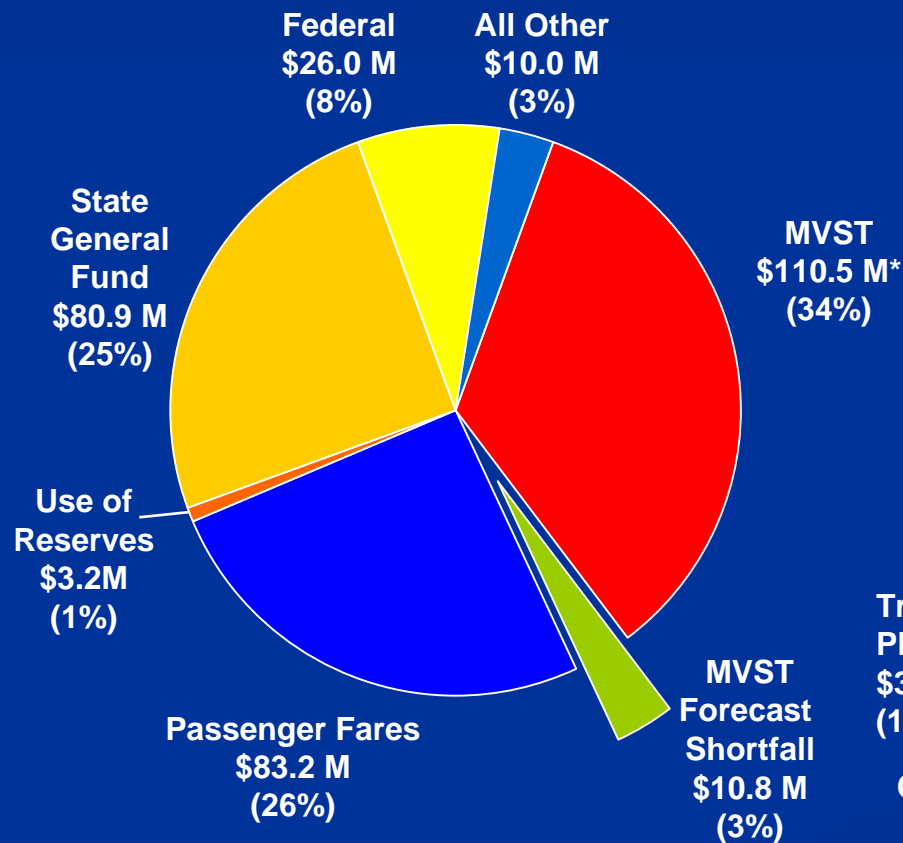


# Funding Background

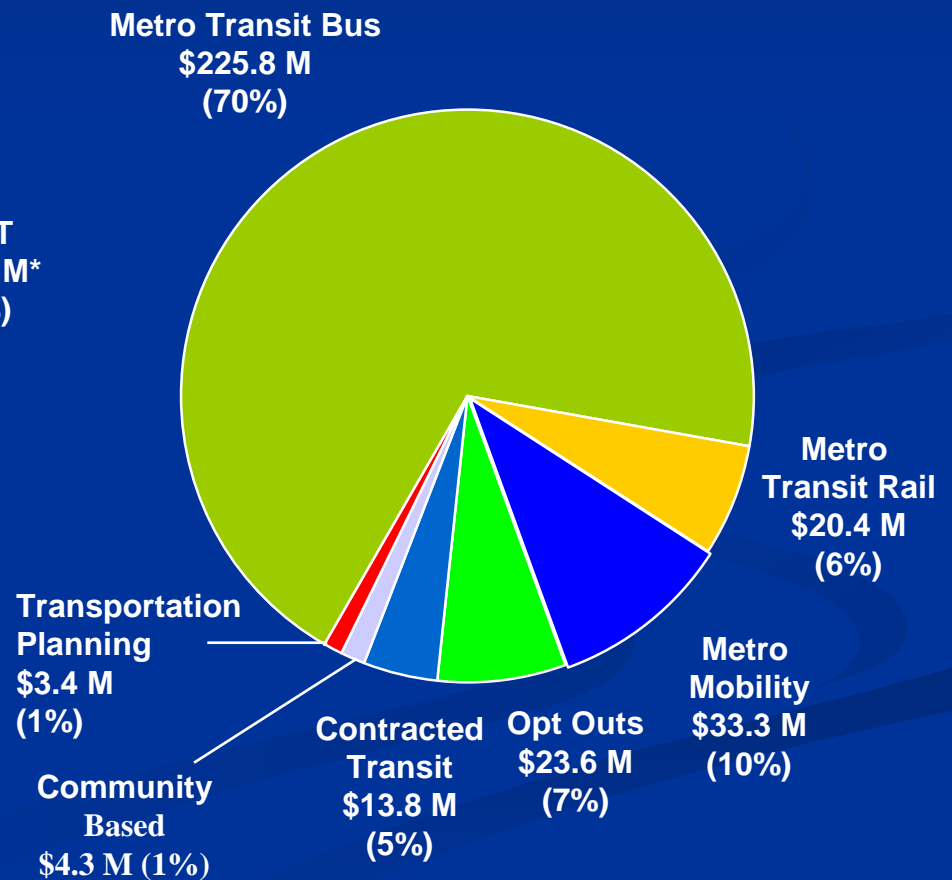
- Funding for transit service in the metropolitan area comes from a variety of sources:
  - Dedication of motor vehicle sales tax
  - State General Fund
  - Farebox
  - Federal funds
  - Property taxes

# Metro Area Transit CY 2007 Operating Budget: \$324.6 M

## Revenues



## Expenses



\* Nov 2006 Forecast projects \$10.8 M less for CY 2007

# Metropolitan Area Transit

## ■ 2030 Blueprint

- Double bus ridership by 2030
- Complete network of transitways by 2030
- Funding over and above current revenue needed to implement the plan – estimate \$100 to \$120M per year

# 2030 Transitway System

Figure 4 - 2

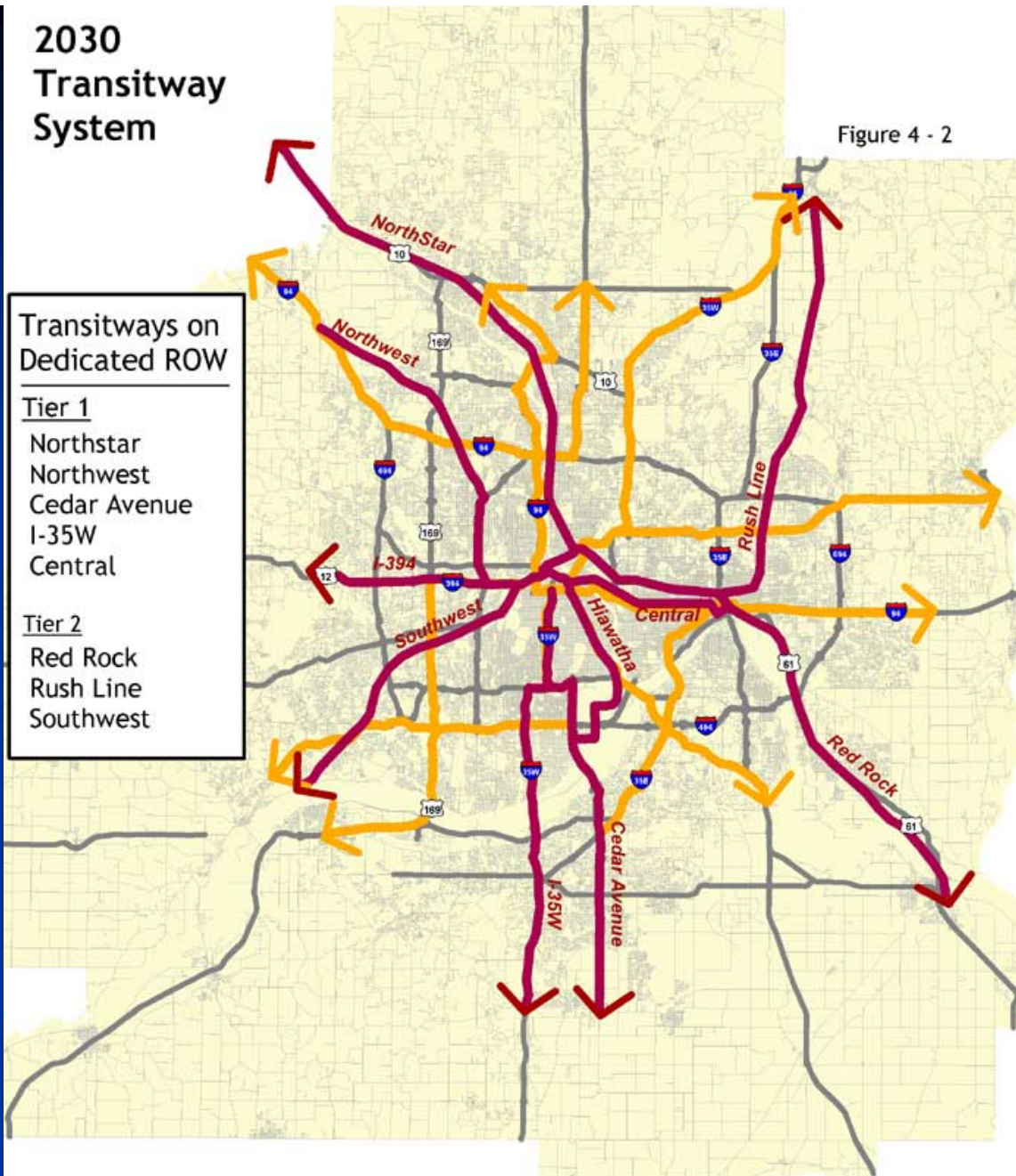
## Transitways on Dedicated ROW



### Tier 1

- Northstar
- Northwest
- Cedar Avenue
- I-35W
- Central

### Tier 2

- Red Rock
- Rush Line
- Southwest



-  Transitways on Dedicated ROW
-  Express Commuter Bus System

August 2004

# Greater Minnesota Transit

- Transit service in the 80 counties outside the Metropolitan Area is under the jurisdiction of MnDOT's Office of Transit.
- 7 counties have no public transit service at all. Another 7 counties have service only in certain cities.
- Service in Greater Minnesota is more limited, often ending in late afternoon and not operating on weekends or part of the weekend.

# Greater Minnesota Transit

- Transit service includes Dial-A-Ride service and Regular Route service. Largest systems: St. Cloud, Duluth, Rochester.



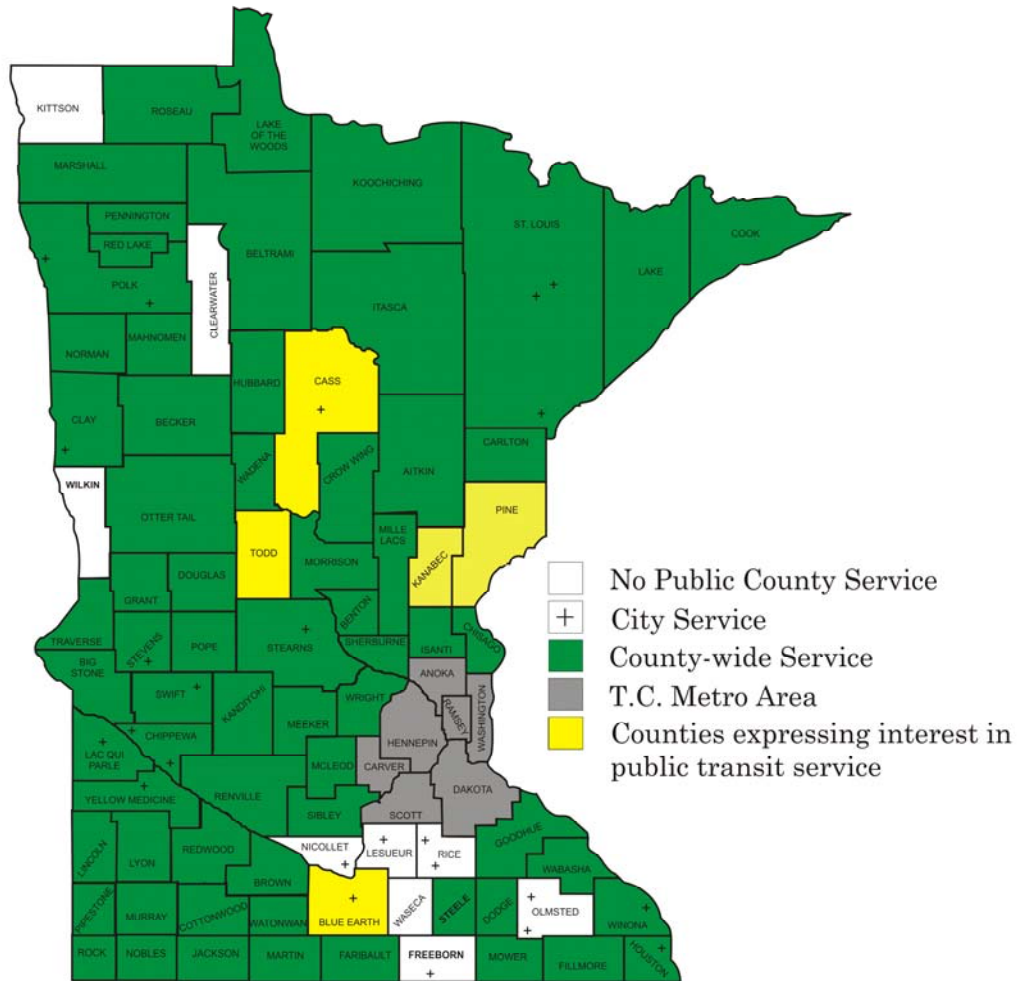
# Funding for Greater Minnesota Transit

- Funding comes from:
  - State General Fund -39%
  - Federal funds – 23%
  - Local Share -22%
  - Dedication of motor vehicle sales tax -16%

Unmet need for service expansion: \$40 million  
per year.



# GREATER MINNESOTA COUNTYWIDE TRANSIT SERVICE



**2007**

66 counties with county-wide service  
 7 counties with municipal service only  
 7 counties with no public transit service

January 2007

# The Annual Funding Struggle

- Transit systems have had to fight for funding each year.
- Planning is difficult without dedicated funds
- Federal dollars require state match
- Rising costs for fuel and health insurance have led to annual shortfalls
- Lack of funding leads to service cuts, fare increases

# Funding Struggle

- Funding gaps have led to repeated service reductions and fare increases
- In 2005, a coalition of transportation interests: transit, highways, labor, local governments worked to pass a comprehensive funding bill.
- The Governor vetoed the bill, but a constitutional amendment to dedicate motor vehicle sales tax survived.

# MVST Finally Dedicated

- In November, 2006 voters approved the constitutional dedication of motor vehicle sales tax revenue to highways and transit.
- First dedicated funding for transit.
- 5-year phase-in, lower than anticipated revenue.
- Shortfall for immediate biennium and long-term plans.

# 2007 Legislative Session

- Transportation funding bills passed by House and Senate
  - Increase funding for transit with metropolitan area sales tax increase
  - Dedication of sales tax on leased motor vehicles
  - Increase in general fund appropriation

# Gridlock at the Capitol

- Governor does not support tax increases
- Dedication of sales tax on leased vehicles is supported by the Governor, not included in House bill
- A funding package for highways and transit is needed to gain enough support.

# Advocacy Makes a Difference

- Contact Legislators and the Governor
  - Transit is a critical service that allows people to get to work, to medical appointments and other important destinations.
  - Transit service allows people to remain independent and remain in their own communities.
  - Additional funding is needed to expand service to meet identified needs.

# Advocacy

- If you're not sure who your legislators are:
  - Go to: [www.leg.state.mn.us](http://www.leg.state.mn.us) and click on "Who Represents Me"
  
- To contact Governor Pawlenty:
  - 651-296-3391
  - [Tim.pawlenty@state.mn.us](mailto:Tim.pawlenty@state.mn.us)

# Advocacy

- E-mails
- Phone calls
- Letters
- Personal visits
- Stories make the issue real

# More Information

The Minnesota Public Transit Association

525 Park St., Ste. 105

St. Paul, MN 55103

[www.mpta-transit.org](http://www.mpta-transit.org)