



TENNESSEE PUBLIC TRANSPORTATION ASSOCIATION

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# Public Transit Funding and Revenue Issues



## Overview of Public Transit in Tennessee

- Public transit exists in all 95 counties (one of the few states in the U.S.)
- Over 31.1 million rides were given in 2006 and over 45 million miles were driven.
- There are 4 large urban, 13 small urban and 11 rural public transit providers in the state which include two train and two trolley operations.



### Figure 1: Location of Transit Providers



#### Tennessee's Transit Providers

Urban Providers		Rural Providers	
A.	Memphis Area Transit Authority (MATA)	1.	Delta Human Resource Agency
B.	Jackson Transit Authority (JTA)	2.	Southwest Human Resource Agency
C.	Clarksville Transit System (CTS)	3.	Northwest Tennessee Human Resource Agency
D.	Metropolitan Transit Authority (MTA) (Nashville) & Nashville Regional Transportation Authority (RTA)	4.	South Central Tennessee Development District
E.	Franklin Transit System	5.	Mid-Cumberland Human Resource Agency
F.	Chattanooga Regional Transportation Authority (CARTA)	6.	Upper Cumberland Human Resource Agency
G.	Oak Ridge Transit System	7.	Hamilton County (Operated by SEHTRA)
H.	Knoxville Area Transit (KAT)	8.	Southeast Tennessee Human Resource Agency
I.	Kingsport Transit System	9.	Hancock County Rural Transportation System
J.	Johnson City Transit System (JCTS)	10.	East Tennessee Human Resource Agency
K.	Bristol Tennessee Transit System (BTTS)	11.	First Tennessee Human Resource Agency (NET Trans)
L.	Pigeon Forge Fun Time Trolleys		
M.	Gatlinburg Mass Transit System		
N.	Cleveland Urbanized Area Transit System		
O.	Morristown (LAMPTO)		



## Current Public Transportation Funding Issues:

- State Transportation dollars have experienced little growth for State Operating Assistance:

FY 2008-- \$18,326,000

FY 2007-- \$17,456,000

FY 2006-- \$16,659,000



- **Operating Costs are increasing:** In just 5 short years, we've seen our fuel prices escalate from an average price of 77cents per gallon in 2002 to over \$2.25 per gallon currently as an average fuel price (excluding state and federal taxes).
- Health and employee benefits, insurance, and inflation costs have all increased, putting more strain on transit operating budgets.



- **Tennessee is experiencing unprecedented growth:** With the last public census 3 new urbanized transportation systems were created. Those new urban areas are Cleveland, Murfreesboro and Morristown.
- Sevierville, while not a new urbanized area, began trolley service last year to help alleviate the nearly gridlock traffic they experience during peak tourism. Nashville just recently began a new commuter rail system that is showing promising potential for the Metro Nashville Area.



- **Federal Cuts:** Just as there have been across the board rescissions of Federal funding for road projects there have been federal cuts to public transit. Under the latest transportation bill passed by Congress, the Tennessee transit community is losing an additional \$3.5 million per year of Federal funding to assist low income citizens access employment.
- This program (The Jobs Access/Reverse Commute program) is matched at a 50/50 match. That equates to \$7 million of transit service that has disappeared because replacement funding has not identified.



- **Overall: To offset these funding issues, almost every transit system in the state, both rural and urban, has increased fares or eliminated transit service. In many cases the systems have done both.**



## Public Transportation Funding Needs

- According to TDOT's Long Range Public Transportation Plan the Tennessee Transit 2025 Plan proposes to triple urban transit ridership and double rural ridership, but with current funding levels the existing status quo would even be hard to maintain.



Table 4-2 summarizes the 25-year estimate of Public Transportation modal needs.

**Table 4-2. Modal Needs Estimate, Public Transportation**

Major Investment Category	Investment Category	Modal Needs Estimate (\$M YOY)
Maintenance/Preservation	Public Transportation - Existing Services (Capital and Operations including Bus/Van Replacement)	5,010.0
	Subtotal	5,010.0
Safety/Modernization	Public Transportation - Modernization	100.0
	Subtotal	100.0
Expansion/Enhancement	Public Transportation - Urban Bus System Expansion (Capital and Operations)	4,570.0
	Public Transportation - Rural Service Expansion (Capital and Operations)	650.0
	Public Transportation - New Starts: Rail, Bus Rapid Transit (Capital and Operations)	3,790.0
	Subtotal	9,010.0
	Total	14,120.0



- **According to the 2006 TDOT Statewide Customer Satisfaction Survey Executive Summary: Highway-Related Services with the *LOWEST Levels of Satisfaction (3 of 5 were related to public transit):***

The five highway-related services that had the lowest levels of satisfaction among residents were: **the availability of alternative modes of transportation along highways (33%), availability of park and ride facilities along highways (41%), the level of congestion on highways in urban areas (45%),** the adequacy of lighting at highway interchanges in rural areas (54%), and the visibility of roadway striping on highways in wet weather (54%).



## Why should the State Invest in Public Transit?

- **Reduces Dependence on Foreign:** It is estimated that each year, public transportation users save 1.4 billion gallons of gasoline. The typical public transit user benefits from using on average one half of the oil consumed by an automobile user.
- **Relieves Traffic Congestion:** According to the 2005 Texas Transportation Institute (TTI) public transportation services in America's most congested cities saved travelers 1.1 billion hours in travel time.
- **Helps the Elderly:** APTA (American Public Transportation Association) predicts by 2025 20% of the population will be over the age of 65 and that half of those folks stay at home because they lack good public transportation. Also, the 2005 White House Conference on Aging ranked the transportation option to retain mobility and independence third out of 73 issues considered.



## Why should the State Invest in Public Transit?

- **Reduces pollution:** Public transit produces 95% less carbon monoxide, 90% less volatile organic compounds, and about half as much carbon dioxide and nitrogen oxide, per passenger mile, as private vehicles.
- **Creates Jobs and Helps the Economy:** APTA reported in the 2006 Public Transportation Fact Book that every \$1 taxpayers invest in public transportation generates from \$4 to \$9 in economic returns (Cambridge Systematics Study). The report also states that for every \$1 billion in federal funding invested in public transportation infrastructure generates approximately 47,500 American jobs. Even a local study conducted by the Oak Ridge National Laboratory stated that for every \$1 dollar invested in public transportation there is a \$2.50 return on the investment.