

Transit Funding in the United States

Carole Turley Voulgaris

Associate Professor of Urban Planning

Harvard Graduate School of Design

Transit agencies

- There are 2,292 Public Transit Agencies in the United States
- 1,333 offer fixed-route service

	With fixed-route	Demand-response only
Local government agency	637	513
Independent Agency	371	49
Private non-profit	99	267
Tribe	81	56
MPO, COG, or planning agency	45	27
State agency	32	1
Private firm	22	1
University	21	1
Other	25	44
Total	1333	959

Largest transit agencies

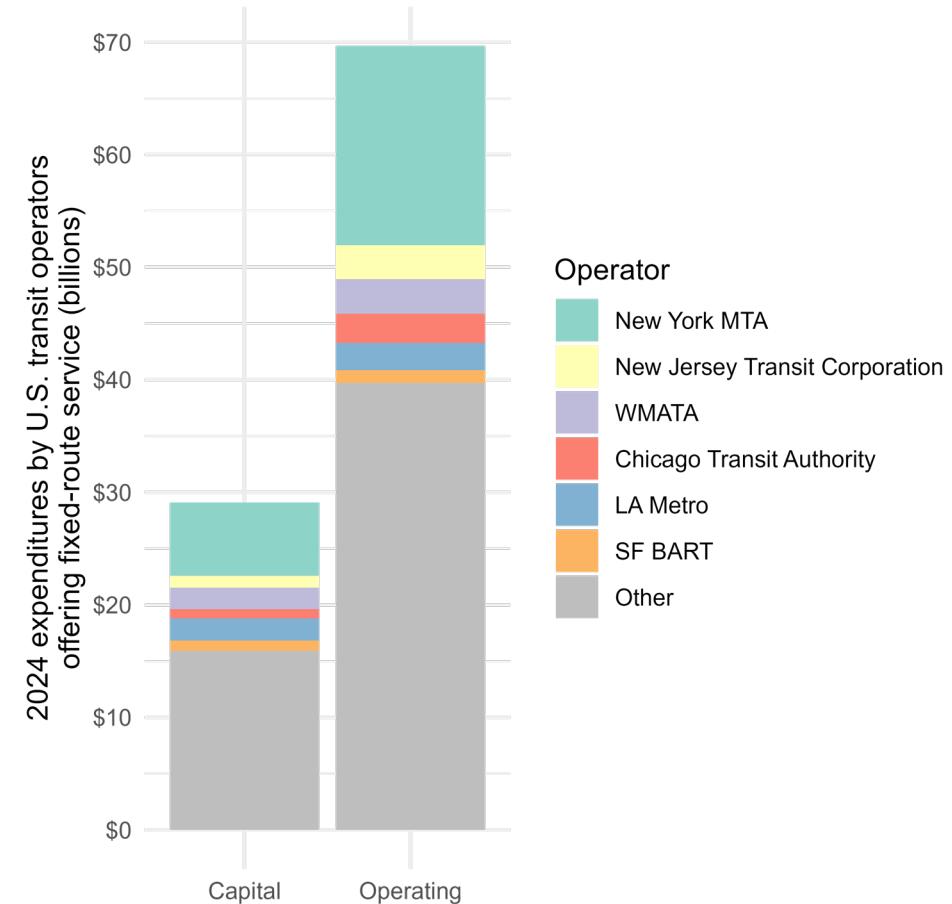
(by miles of fixed-route service provided)

- New York MTA (18% of all fixed-route service in the United States)
- New Jersey Transit (4%)
- WMATA (4%)
- Chicago Transit Authority (4%)
- LA Metro (3%)
- SF BART (2%)
- All other transit agencies combined (65%)

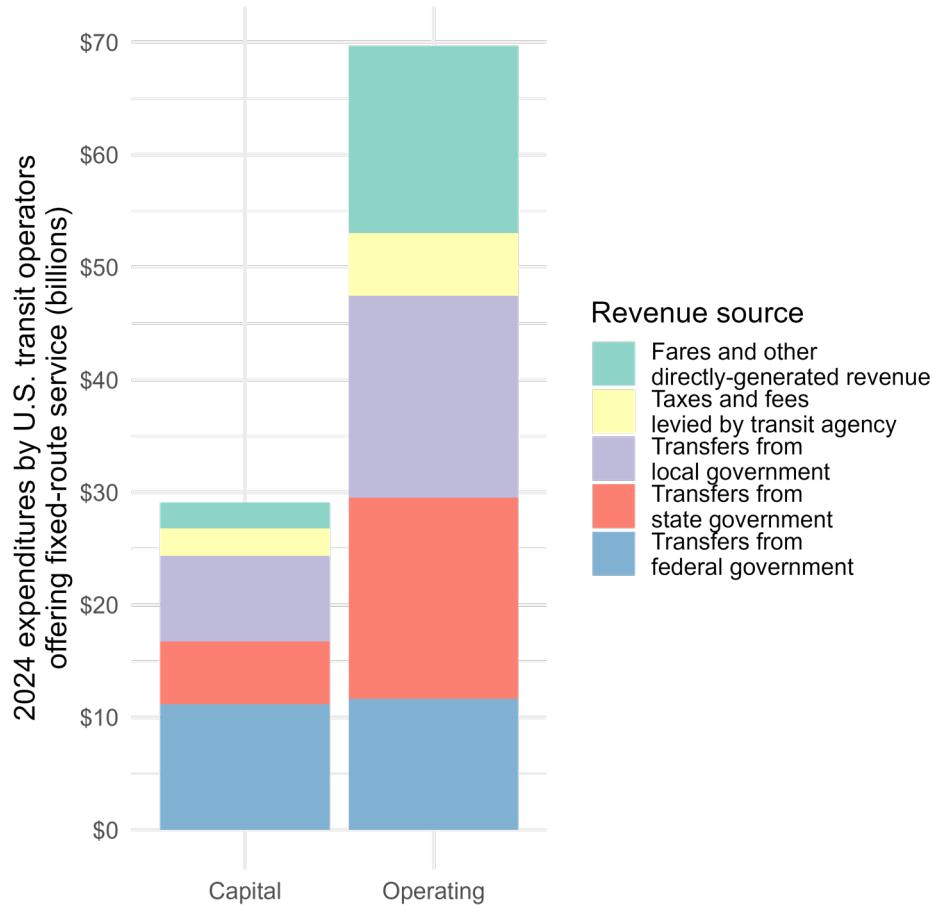
Capital and operating expenditures

Capital expenditures: The purchase, construction, and maintenance of vehicles and facilities

Operating expenditures: Salaries associated with operating the service and purchase of fuel



Revenue Sources

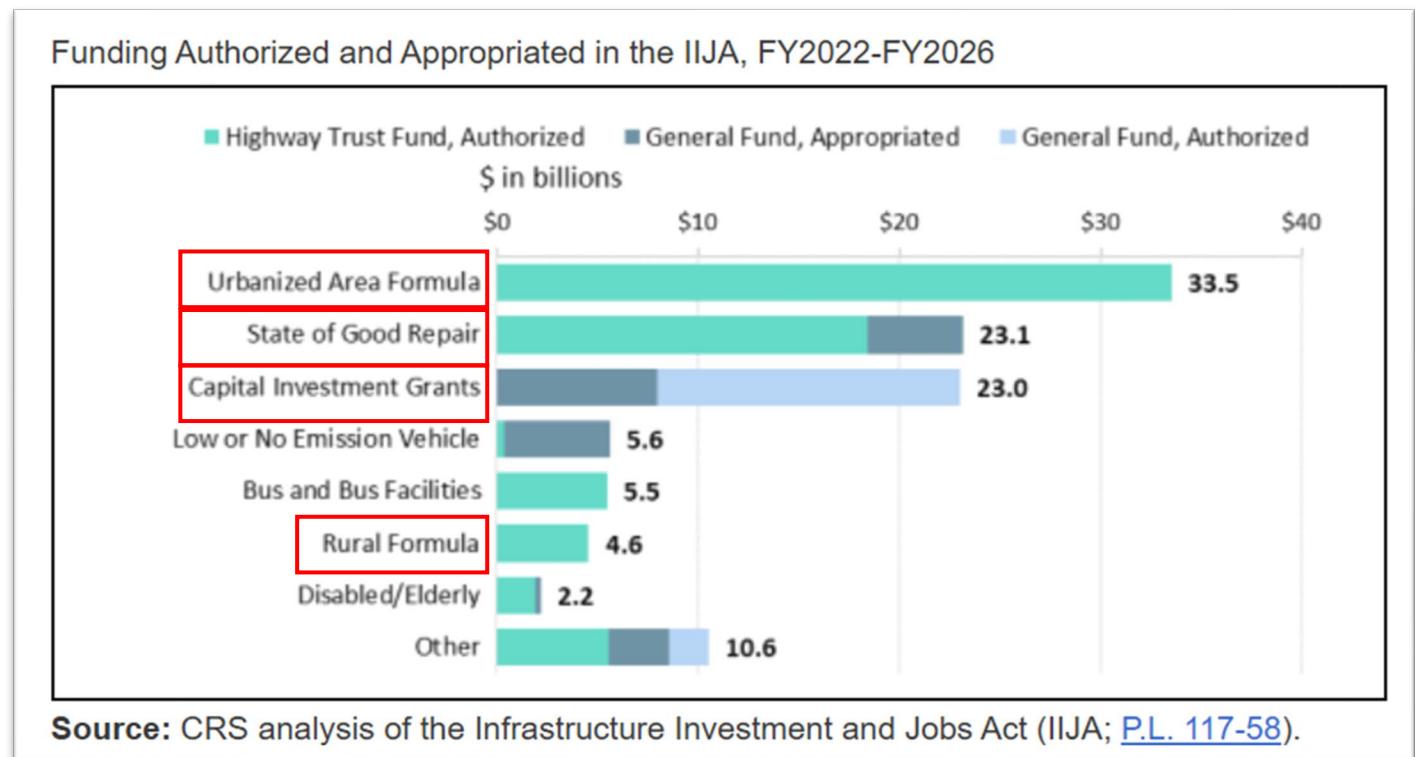


Federal Funding

Federal funding

Highway trust fund

- 2.86¢/gallon of the federal gas tax (18.4¢/gallon since 1993) goes into the Mass Transit Account.
- Remaining federal spending on transit comes from the general fund.



<https://www.congress.gov/crs-product/R47002>

Federal grant programs

Available for operating costs

5307 Funding (Urbanized Area Formula)

- Formula funding
- For transit agencies serving urban areas with populations greater than 200,000 people
- Less funding to support operating expenses

5311 Funding (Rural Formula)

- Formula funding
- For transit agencies serving rural areas and urban areas with populations less than 200,000 people
- More funding to support operating expenses

Only for capital costs

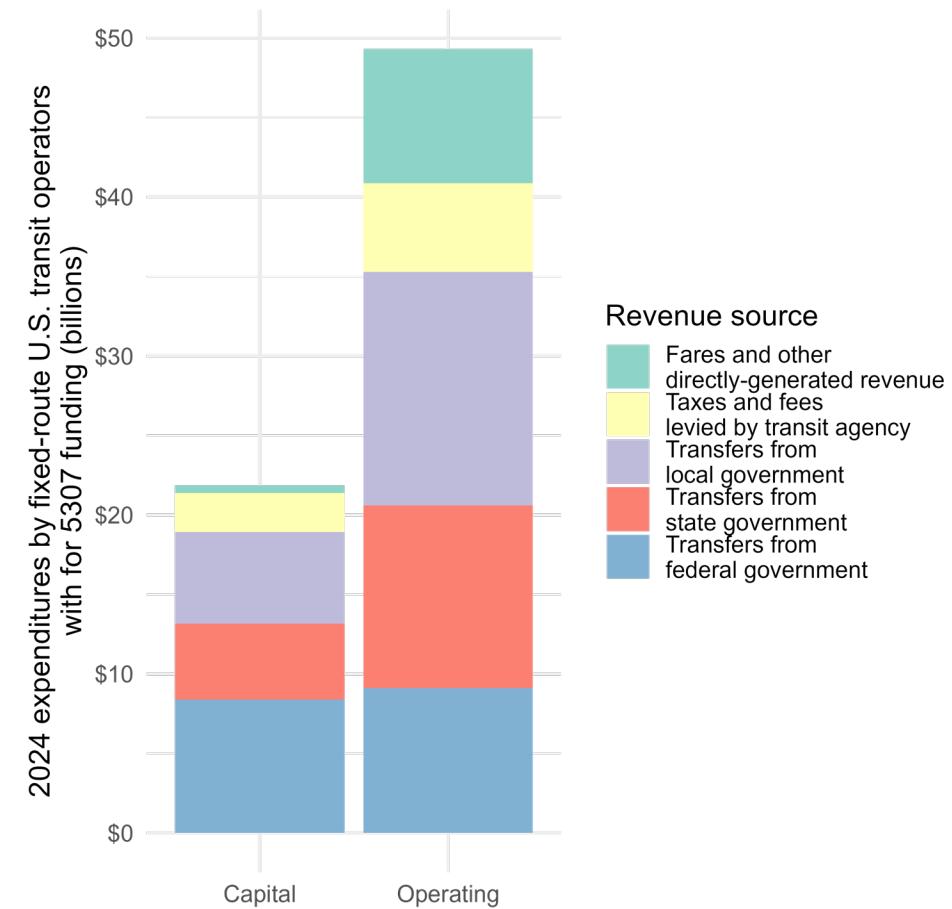
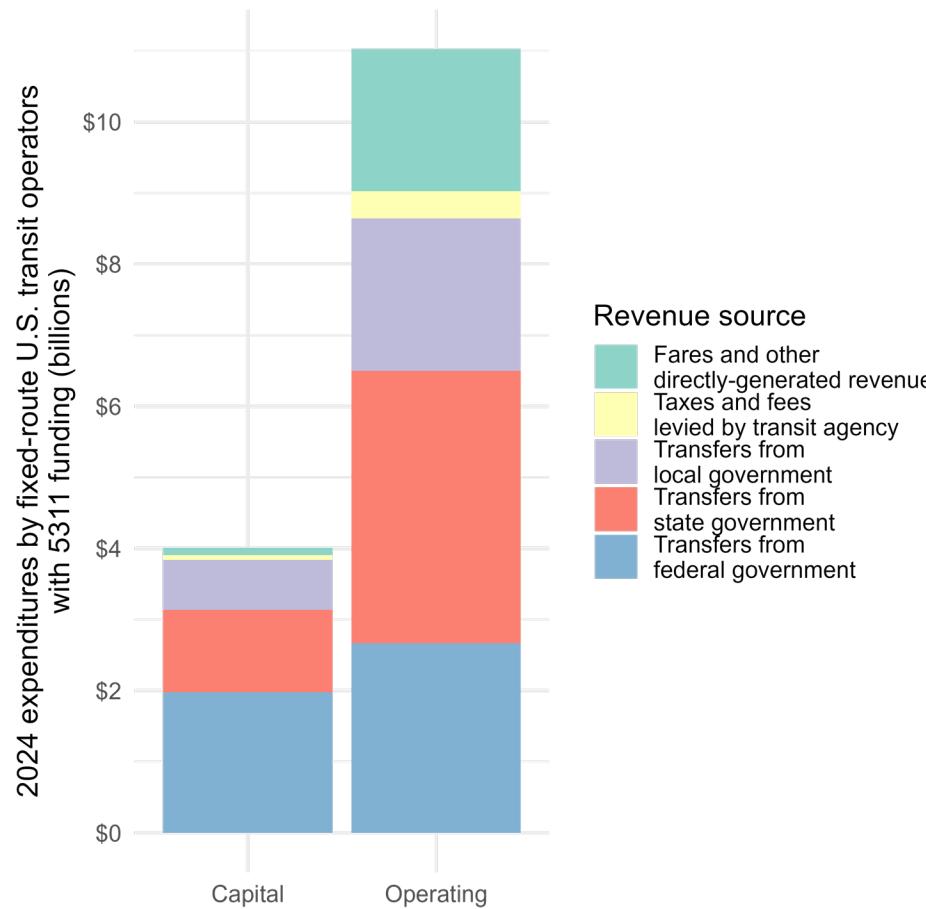
5337 Funding (State of Good Repair)

- Formula funding
 - Plus competitive Rail Vehicle Replacement grants
- For transit agencies serving urban areas
- Exclusively for capital maintenance

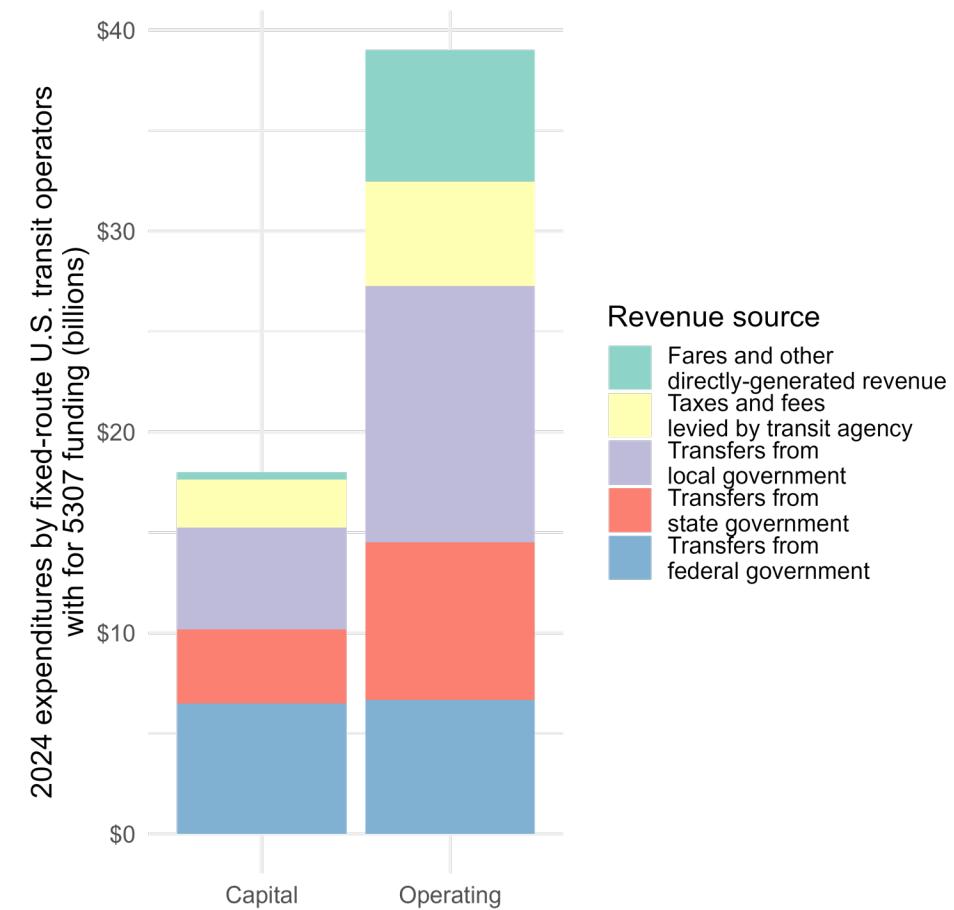
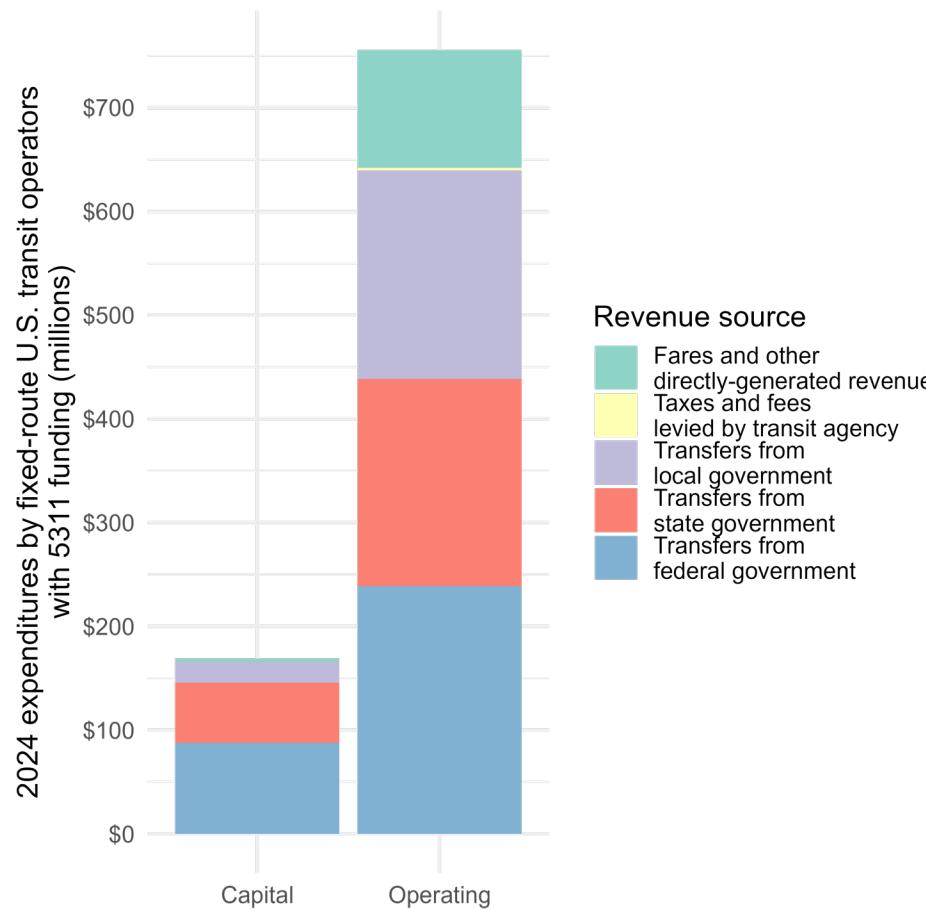
5309 Funding (Capital Investment Grants)

- Competitive funding
- All transit agencies are eligible
- Exclusively for fixed-guideway capital projects

Differences by funding eligibility (overlapping categories)



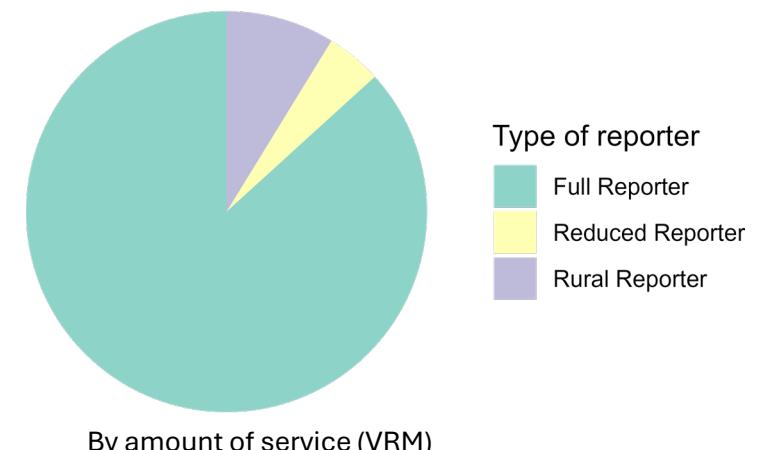
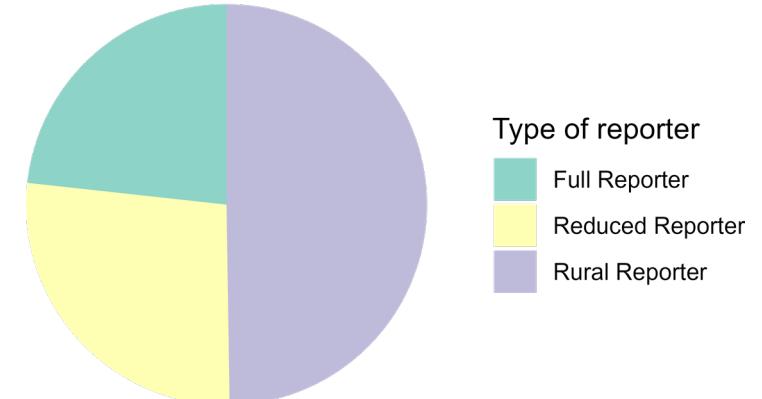
Differences by funding eligibility (exclusive categories)



State and local funding

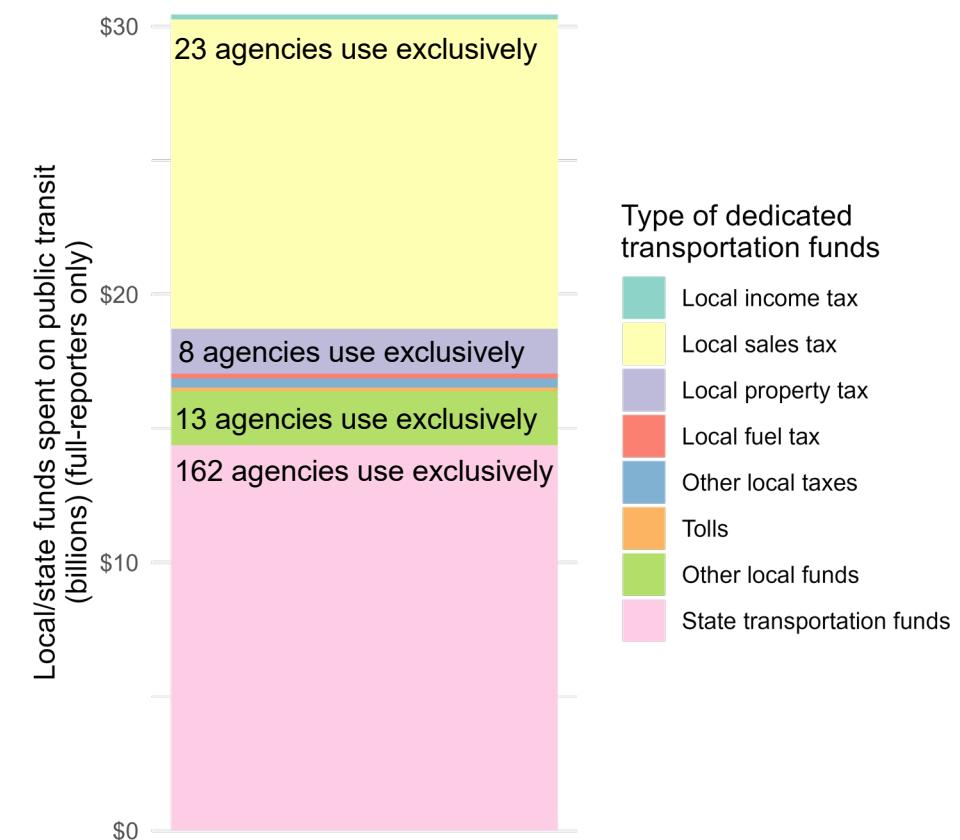
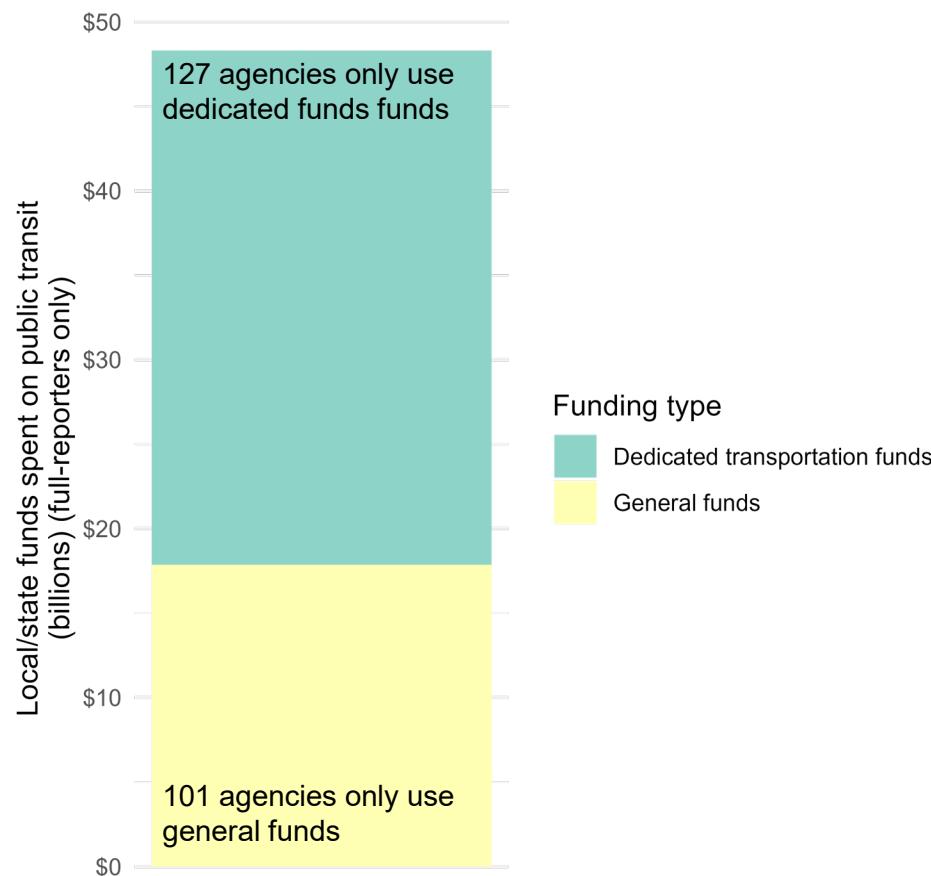
Full, Reduced, and Rural Reporters

- **Full reporters:** Receive 5307 funding and operate at least 30 vehicles at a time during their busiest time (vehicles operating in maximum service)
- **Reduced reporters:** Receive 5307 funding, but operate fewer than 30 vehicles in maximum service.
- **Rural reporters:** Receive 5311 funding, but not 5307 funding



General and dedicated funds

General funds are typically allocated through an annual budgeting process.

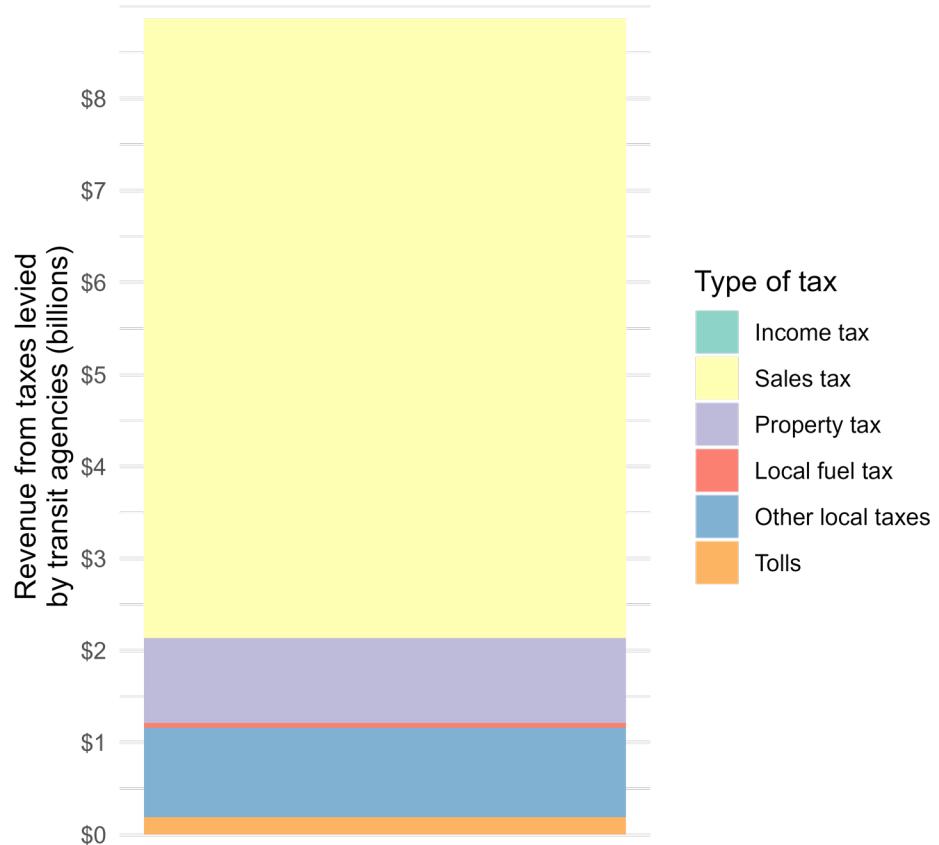


Out of 527 full reporters

Taxes levied by transit agencies

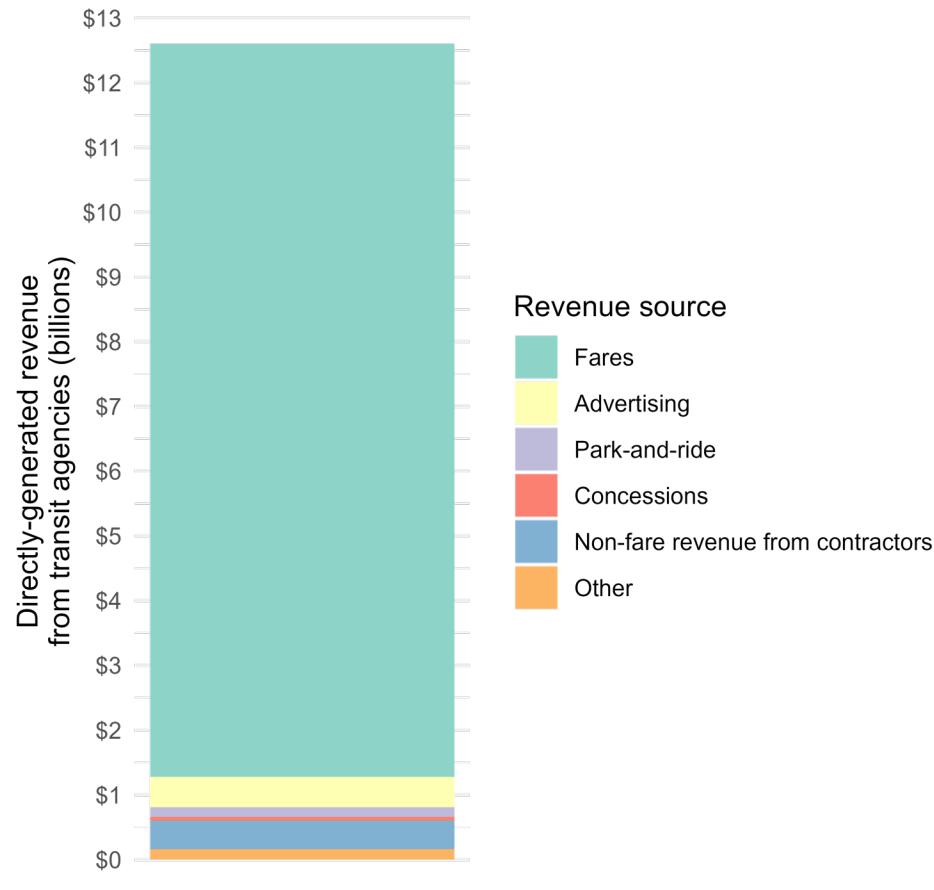
Types of taxes levied by agencies

- 68 agencies levy taxes
- 63 use a single type of tax



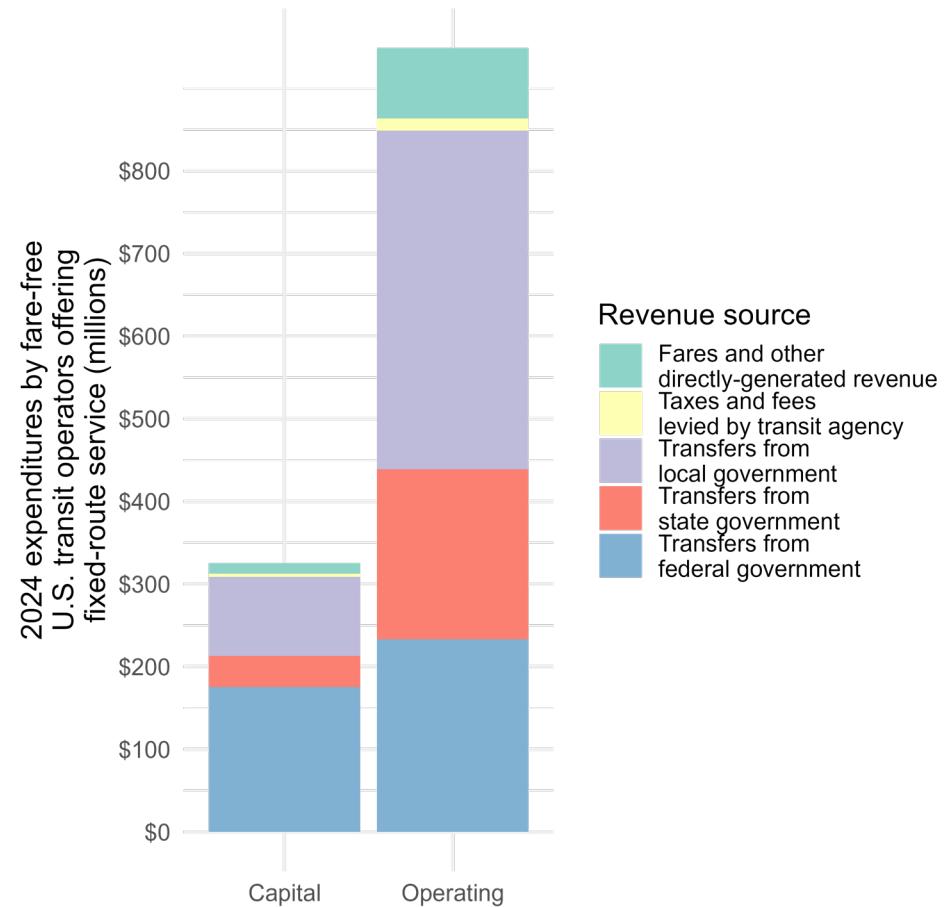
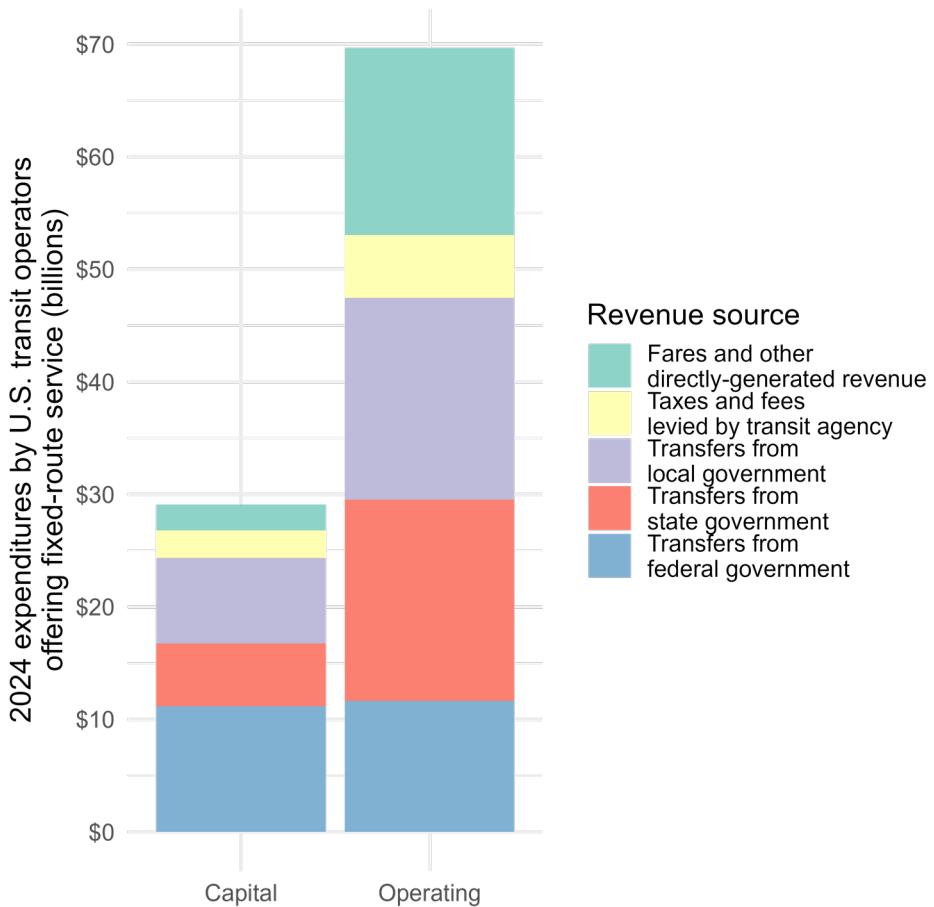
Fares and directly-generated
revenue

Sources of directly-generated revenue

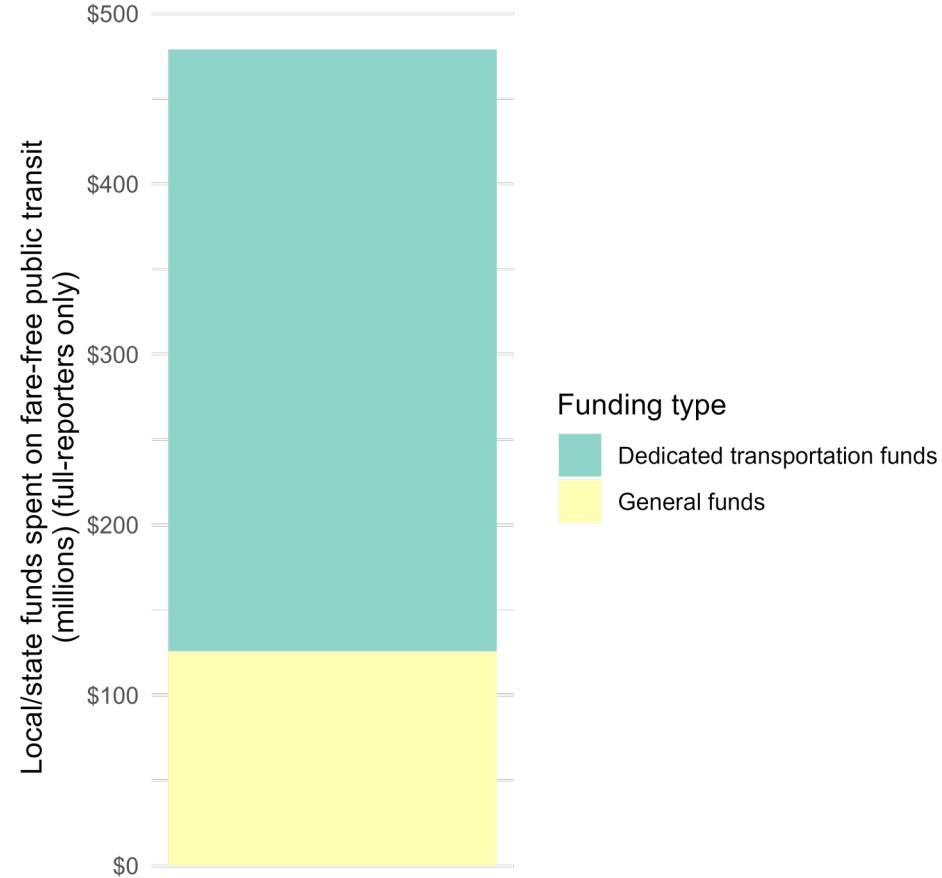
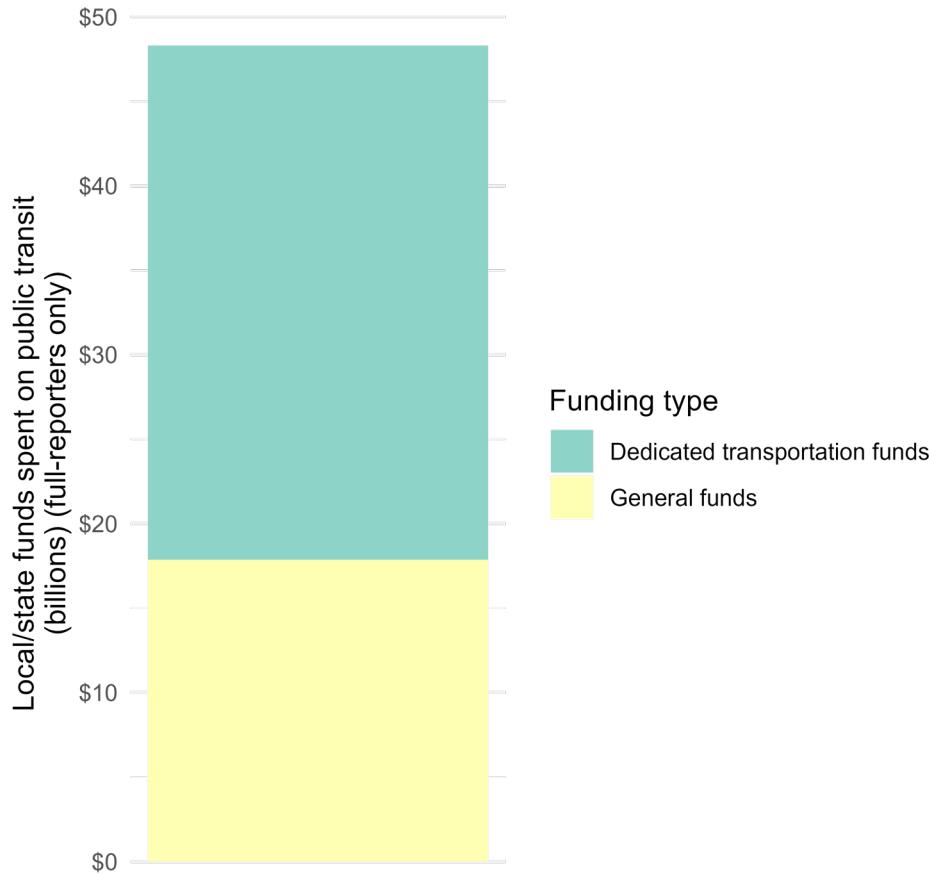


351 out of 2,292 transit operators
collect no fare revenue

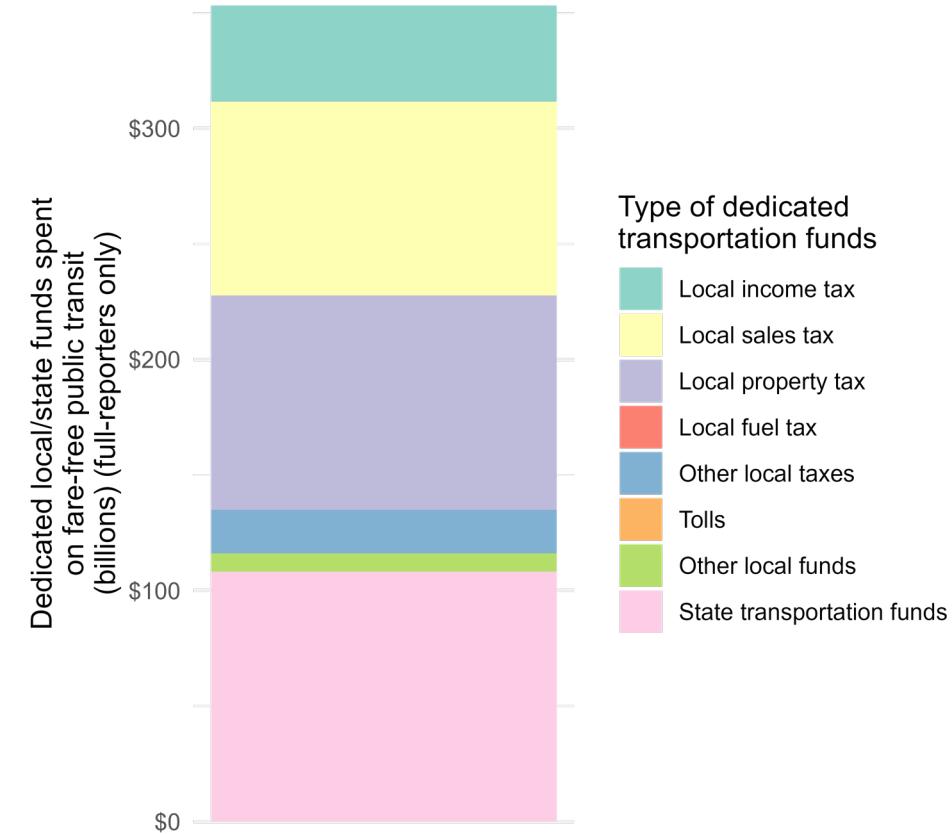
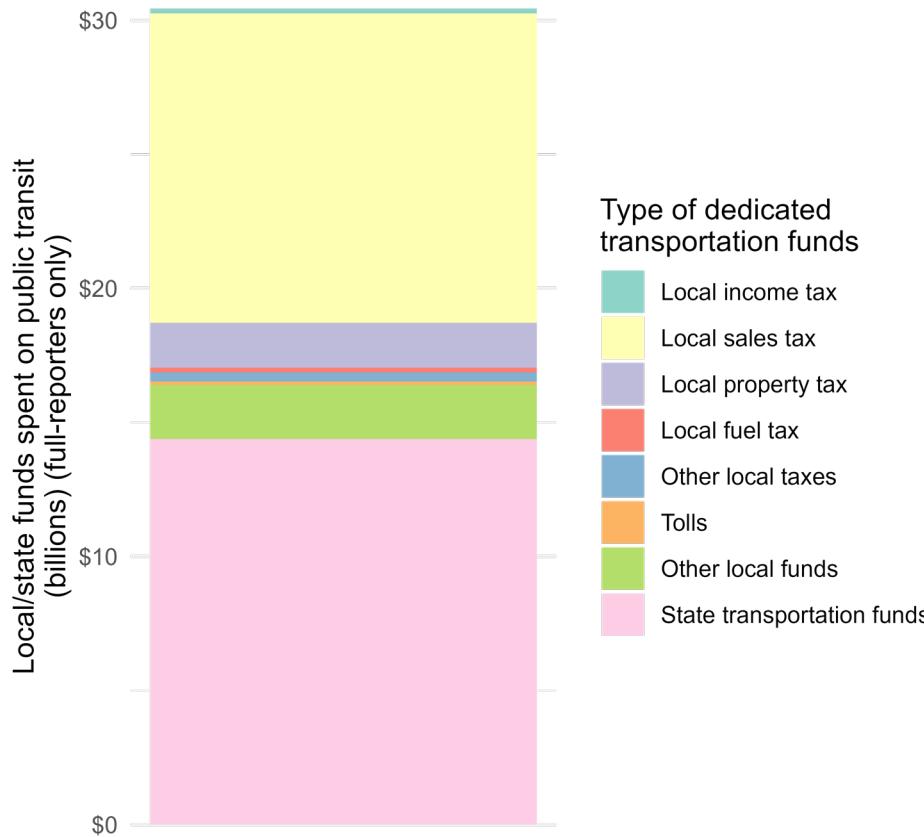
Fare-free transit: All revenue sources



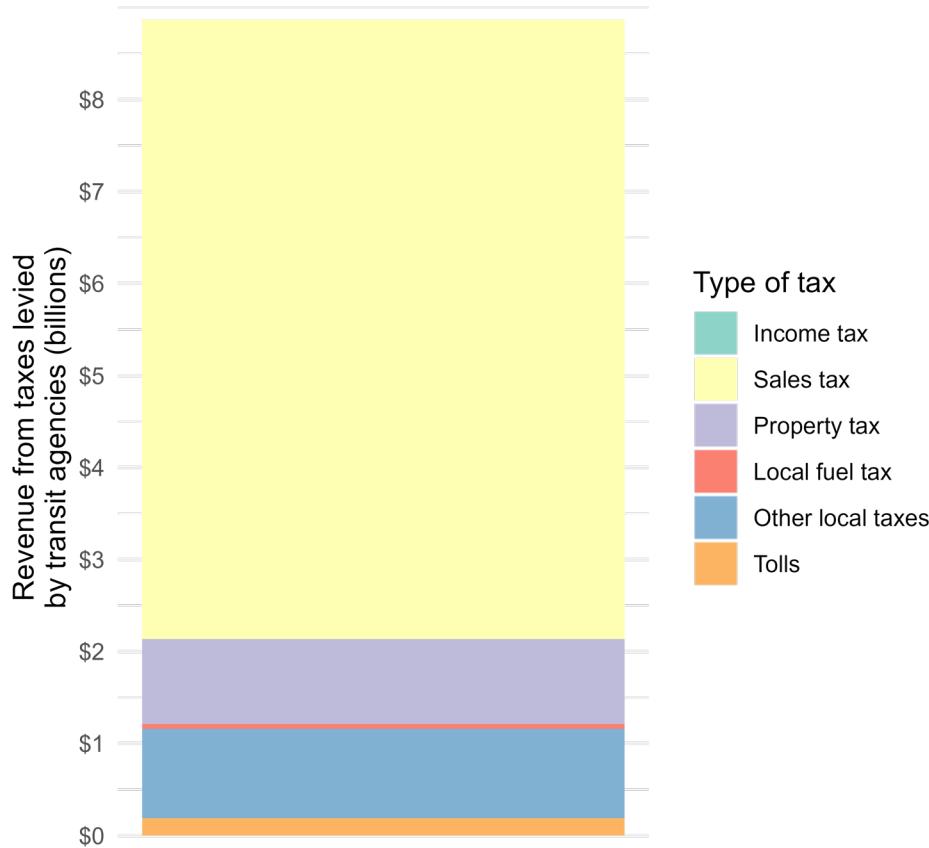
Fare-free transit: Reliance on state and local general funds



Fare-free transit: Types of dedicated transportation funds from local/state



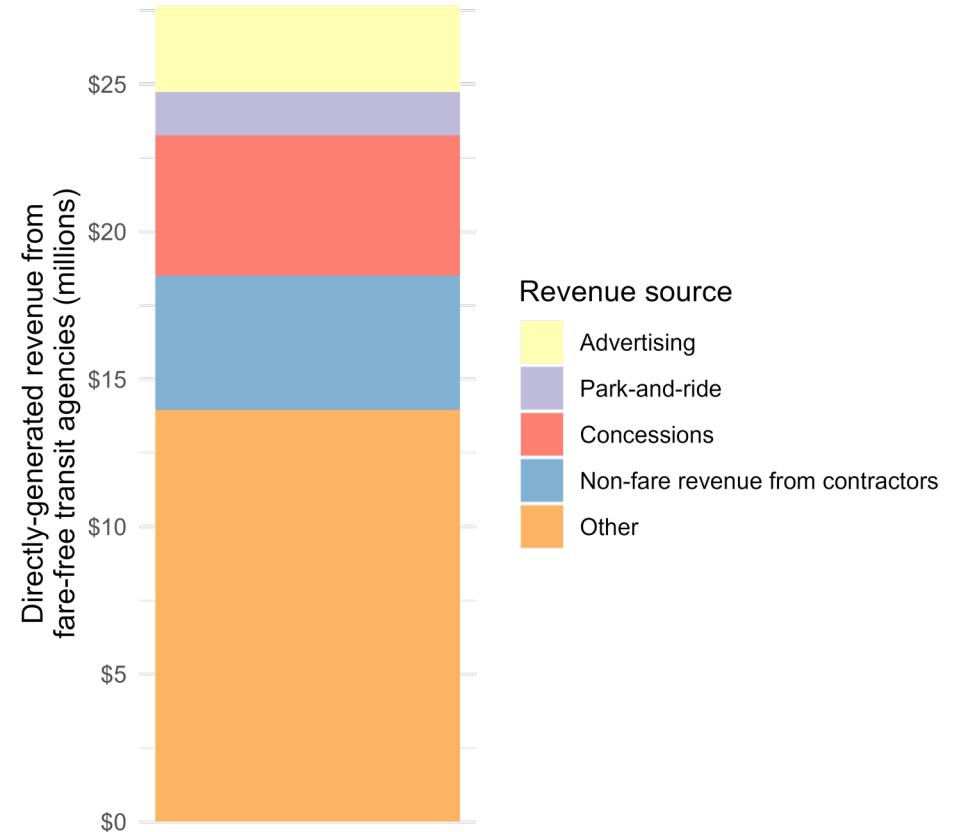
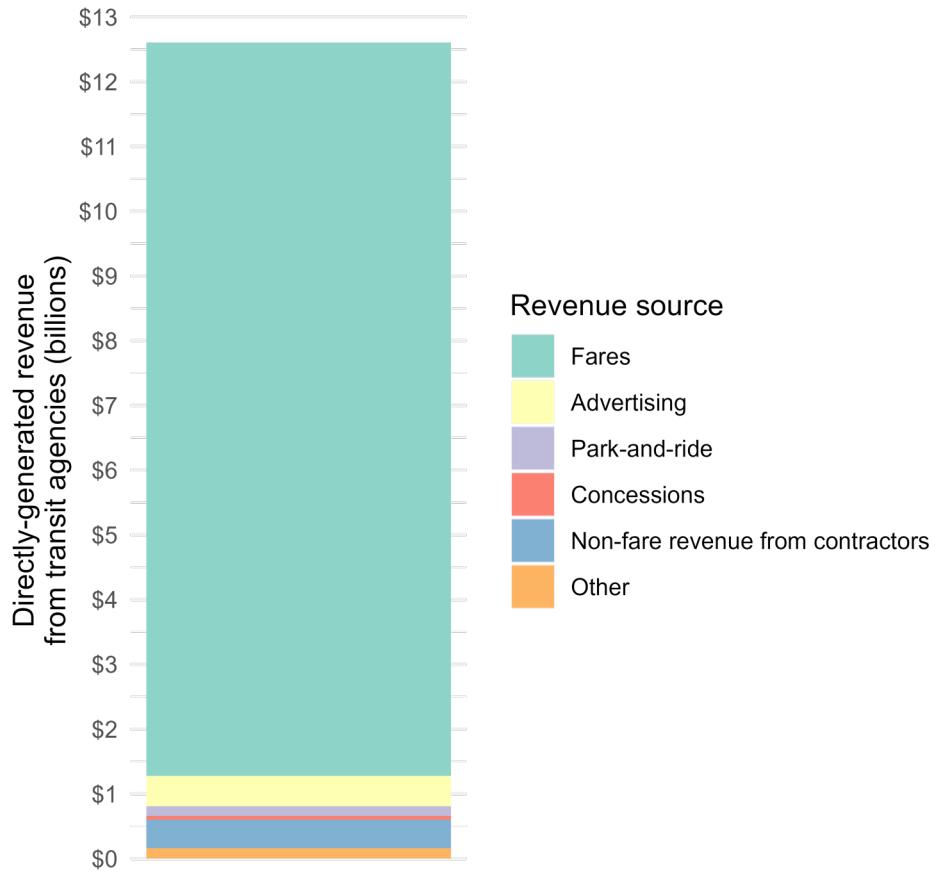
Fare-free transit: Taxes levied by transit agencies



Only two fare-free systems levy taxes (both income tax):

- Connect Transit (Logan, Utah)
- Western Reserve Transit Authority (Youngstown, Ohio)

Fare-free transit: Directly-generated revenue



Thank you!

Carole Turley Voulgaris

cvoulgaris@gsd.harvard.edu