How Does Transit Funding Work?
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Introduction

Chuck Dyer
Administrator
Office of Transit - ODOT
Federal Transit Administration
2012 Total Transit Investment Federal | State | Local = $893.1 million

- Federal Share 25%
- Approx. - $225 Million
Who are they?

The FTA is an agency within the United States Department of Transportation (DOT) that provides financial and technical assistance to local public transit systems by helping to develop new transit systems as well as improving, maintaining and operating existing systems.

But where did they come from.....
**Omnibus Housing Act of 1961**

As a result of 1968 legislation that allowed important commuter rail services to be closed down, supporters of mass transit introduced a bill that would provide federal assistance to mass transit.

This act provided $50 million for federal loans and $25 million in grants to support demonstration pilot projects in mass transportation.

This Act would lay the groundwork for a larger effort to establish a permanent federal program supporting mass transit.

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**1964**

**Urban Mass Transportation Act**

This act provided $375 million in capital assistance over three years, and also led to the establishment of the Urban Mass Transportation Administration.

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**The Federal Transit Administration is Born**

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The state share is 3% of the total funding:
- State (GRF) 1% - $7.3 Million
- ODOT (FHWA Flex Funds) 2% - $20 million
- Total State Contribution - $27.3 million

Ohio's $0.63 transit spending per capita ranks among the lowest in the nation (38th out of 51). Just below South Dakota
Who Are We?

The Office of Transit advocates and supports safe and reliable personal mobility by coordinating and funding public transportation as a vital element of Ohio's transportation system.

...to accomplish our mission, the Office provides financial and technical assistance to public transit systems, local governments, and human service agencies throughout the state for planning, establishment, and operation of public transportation systems.
2012 Total Transit Investment Federal | State | Local = $893.1 million

- Local Share 55%
- Approx. $500 Million

Local Funding to Meet Required Match
- Local Taxes - Sales Tax, Earning Tax, Property Tax, etc.
- Contract Revenues
- Investment Income & Reserves
- Advertising Sales
- Rental Income
- Sponsorships
- Coordination & Collaboration
- ODOT-General Revenue Funds, Transportation Development Credits
- Other Non-Transit Federal Funds
- Soft-Match and In-Kind
Who Are Ohio's Public Transit Systems?

- 61 Public Transit Systems
- 27 Urban Systems
- 34 Rural Systems (Demand Response)
- 22 Counties with no public transit

Non-Profits Providing Transportation Services

- 226 Agencies provide transportation for seniors and individuals with disabilities
- 734 vehicles purchased through ODOT to provide this service
- 20 Mobility Managers across the state
- But this is only ODOT's realm
Skip Dunkle
Public Transit Manager
Office of Transit - ODOT
Section 5310: Enhanced Mobility for Seniors and Individuals with Disabilities

- This program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services.

- FFY 2014 State of Ohio Apportionment $3,595,087

- Funds for Programs to Serve the Needs of These Populations
  - FFY 2014 Ohio UZA Apportionment $6,624,809
Eligible Activities

At least 55% of program funds must be used on public transportation capital projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.

The remaining 45% may be used for:
• Public transportation projects that exceed the requirements of the ADA.
• Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.
• Alternatives to public transportation that assist seniors and individuals with disabilities.
Eligible Recipients

- States or local government authorities
- Private non-profit organizations
- Operators of public transportation that receive a grant indirectly through a recipient.
Funding

Funds are apportioned for urbanized and rural areas based on the number of seniors and individuals with disabilities.

Federal share for capital projects (including acquisition of public transportation services) is 80%.

Federal share for operating assistance is 50%.

Federal Funding allocations:
- 60% to designated recipients in urbanized areas with a population over 200,000.
- 20% to states for small urbanized areas.
- 20% to states for rural areas.
Section 5311: Formula Grants for Rural Areas

- This program provides capital, planning, and operating assistance to states to support public transportation services in rural areas with populations less than 50,000.
- Section 5311 (f) Rural Intercity Bus Program
  - 5 Rural Intercity Bus Routes

- FFY 2014 State of Ohio 5311 Apportionment $22,777,401
- FFY 2014 State of Ohio 5311 (f) Apportionment $3,416,610
Eligible Activities

- Planning
- Capital
- Operating
- Job Access and Reverse Commute projects and;
- The acquisition of public transportation services.
Eligible Recipients

- States, Indian tribes
- Subrecipients:
  - State or local government authorities
  - Nonprofit organizations
  - Operators of public transportation or intercity bus service that receive funds indirectly through a recipient.
Funding

- Federal share is 80% for capital projects.
- Federal share is 50% for operating assistance.
- Federal share is 80% for Americans with Disabilities Act (ADA) non-fixed-route paratransit service, using up to 10% of a recipient's apportionment.

Rural Formulas
- 83.15% of funds apportioned based on land area and population in rural areas
- 16.85% of funds apportioned based on land area, revenue-vehicle miles, and low-income individuals in rural areas.
Ohio's Urban Transit Program

The Ohio Department of Transportation (ODOT) provides financial assistance to urban public transit systems in Ohio through the Urban Transit Program (UTP).

The Program goals are to facilitate the most efficient and effective use of both federal and state funds in the provision of transportation services and to provide federal and state matching funds to Ohio's urban public transit systems in order to maximize the impact of the federal and state dollars available through the Ohio Department of Transportation.
Eligible Recipients

- Regional Transit Authorities
- County Transit Boards
- Municipalities
- County Boards of Commissioners
Eligible Activities

- Operating Assistance
  - Operating expenditures for a transit systems who are both eligible and not eligible to receive FTA Section 5307 operating assistance

- Capital Assistance
  - Buses, garages, transit centers, signs, fareboxes, and equipment.
  - Complementary paratransit expenses c.
  - Capitalized maintenance and capital cost of contracting expenses
Funding

Ohio's urban public transit systems have been placed into five (5) categories according to system size. A fixed percentage of the UTP funds have been allocated to each category. Funds are sub-allocated to the individual systems within each category using a formula which incorporates system data and performance measures based on ridership, revenue service miles, revenue hours, and farebox revenue. In the event of a legislative or administrative reduction in program funds, the Division of Planning reserves the right to adjust the allocation to each category.
Ohio's Rural Transit Program

The Program's goals are to enhance the access of people in rural areas to shopping, health care, employment, public services, education and recreation; to assist in the development, maintenance, improvement, and use of public transportation in rural areas; and to encourage and facilitate the most efficient use of all Federal and State funds used to provide transportation in rural areas through the coordination of programs and services.
Eligible Activities

- Capital Expenses such as:
  - the acquisition, construction, and improvement of public transit facilities and equipment needed or a safe, efficient, and coordinated public transportation system
  - replacement revenue vehicles fare boxes and radios for revenue vehicles
  - revenue vehicle rehabilitation
  - facility rehabilitation
  - purchase or construction of a facility including architectural and engineering services
  - maintenance equipment
  - passenger amenities
  - computer equipment
  - park-n-ride lots and;
  - original office equipment.
- Operating Expenses such as:
  - fuel
  - oil
  - maintenance and drivers', dispatchers', and mechanics' salaries and benefits
  - As well as administrative costs such as directors, bookkeepers' and secretaries' salaries and benefits
  - marketing, and travel

Operating expenses can also include the purchase of capital items such as computer and office equipment.
Eligible Recipients

- Any municipality or village that is not within the service area of a county, a county transit board or regional transit authority.
- Any county that is not totally within an RTA’s or CTB’s service area
- Any CTB or RTA
- A private nonprofit corporation, which has undergone the local selection process and has been designated as grantee by the local public entity.
Funding

The federal share for eligible capital equipment will not exceed 80 percent of the total project cost. The Federal share for program operating expenses will be the lesser of up to 50 percent of the net project cost or the applicant’s Federal allocation. The State share will be the lesser of up to 30 percent of the total project budget or the applicant’s State allocation. The remaining percentage of the budget will represent the eligible local share.
Elderly and Disable Fare Assistance Program

This program provides state funds to reimburse eligible public transportation systems who offer reduced fares to the elderly and people with disabilities. These funds offset the revenue loss incurred by each eligible transportation system as a result of offering this reduced fare.
Eligible public transit systems must 1) receive an allocation from ODOT’s Rural Transit Program or Urban Transit Program, and 2) provide a reduced fare to the elderly and people with disabilities.
Funding

• Funding for each public transportation system is allocated by multiplying the actual number of elderly and disabled passengers by the amount of the fare reduction up to a maximum of one-half (1/2) the full fare. Rural and small urban transit system reimbursements are calculated first. If funds are available this amount is subtracted from the total available funds to determine funds available for large urban transit systems.

• Large urban transit system reimbursements, except the four with the highest reimbursement amounts, are then calculated. This amount is subtracted from remaining funds to determine funds available for the four remaining transit systems. If the remaining funds are not adequate to fully fund the four remaining transit systems, reimbursements will be proportionately reduced to stay within available funds. Reduced reimbursement amounts are calculated based on each system's percentage of the total reimbursement for the four systems.
Ohio Transit Preservation Partnership Program (OTPPP)

The department instituted the Ohio Transit Preservation Partnership Program to provide federal FHWA funds for urban public transit projects in Ohio beginning in state fiscal year 2012.

The OTPPP is a discretionary program and projects are selected on a competitive basis with an emphasis on preservation.

*Preservation is defined as the process of working to maintain, sustain, or keep in a good sound state the transit systems in Ohio.*
Eligible Activities

- Capital Projects such as:
  - Vehicles,
  - Non-vehicles (garage improvements, transit center rehab, transit trail rehab, signs, fareboxes, biodiesel fuel, CNG, equipment, the retrofit of vehicles to operate with cleaner emissions, transit safety improvements, and fare collection systems.)
  - Other capital projects as defined by 49 USC Chapter 55 Section 5302.
- Capitalized Maintenance
- Complementary paratransit expenses
- Capital cost of contracting expenses.
Eligible Recipients

- Regional Transit Authorities
- County Transit Boards, municipalities, or counties that own or operate public transportation systems.
- Transit systems must be recipients of FTA Section 5307 funds in order to apply for OTPPP funds.
Funding

ODOT has allocated $14 million for this state fiscal year to the OTPPP. The sources of funds for this program are federal ODOT Congestion Mitigation Air Quality (CMAQ) and Surface Transportation Program (STP) dollars. Therefore, projects must be CMAQ and STP eligible under Title 23 USC Sections 104(b)(2) and 104(b)(3) respectively.
Section 5339: Bus & Bus Facilities

- Provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.

- FFY 2014 State of Ohio Apportionment $2,215,029

- FFY 2014 Statewide UZA Apportionment $9,703,265
Eligible Recipients

Designated recipients and states that operate or allocate funding to fixed-route bus operators.

Subrecipients: public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income.
Eligible Activities

Capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities.
Funding

- Funds are available for three years after the fiscal year in which the amount is apportioned.
- Remaining formula based upon population, vehicle revenue miles and passenger miles.
- Federal share is 80% with a required 20% local match.
Bob Ruzinsky
Chief Capital Officer
Greater Dayton Regional Transit Authority (GDRTA)
FTA Urban Area Defined

- Small Urban – 50,000 to 199,999
- Large Urban – 200,000 and more
- Updated with Census every 10 years (2 year lag)
- Many UZA’s in Ohio Contain Multiple Public Transit System
Section 5307: Urbanized Area Formula

- This program provides grants to Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances.
- These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion.

- FFY 2014 Small Urban Apportionment $9,527,227
- FFY 2014 Large Urban Apportionment $92,323,518
Eligible Activities

- Capital Purchases – Buses, Equipment, Facilities, Security, Enhancements
- Capitalized Operating – PM and ADA
- Planning – Transit Based
- Operating – Limited Use by Some
Section 5309: Fixed Guideway Capital Investment Grants "New Starts"

- New and Expanded Rail, BRT, and Ferry Systems
- 80% Federal / 20% Local
- $1.9 Billion Nationwide in FFY2014
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  - FFY 2014 Ohio UZA Apportionment $6,624,809
Section 5337: State of Good Repair Grants

Maintain Fixed Guideway Assets
  - Cleveland
  - Dayton
  - Cincinnati
  - Toledo
  - 80% Federal / 20% Local
  - FFY 2014 Statewide Apportionment - $22,634,129
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Others

Programs to fund:
• Urban Planning
• Various Training & Testing Programs
• Funding to Assist in Disaster Recovery
• Technical Assistance
• Asset Management
QUESTIONS?