



# Transit in Georgia Analysis and Recommendations

Submitted to the IT3 Consultant Team

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by the *Georgia Transit Association*

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# **GEORGIA TRANSIT ASSOCIATION BRIEFING PAPER: TRANSIT IN GEORGIA**

**Provided to the IT3 Study Team**

## **Executive Summary**

Transit in Georgia covers a broad spectrum of services which enhance the state's overall transportation network and provide citizens with greater mobility options. Collectively, these transit services provide the taxpayers of Georgia with numerous economic and environmental benefits, and are funded through a variety of local, state, and federal sources.

As part of the solution for Georgia's transportation challenges, in both urban and rural parts of the state, transit is likely to become an even more popular choice in the future as demographic trends and economic realities drive consumers to consider other options. The Georgia Transit Association (GTA), as the representative for Georgia's rural and urban public transit systems, is pleased to offer this briefing paper that summarizes our state's transit investment, provides recommendations to improve mobility and enhance transit's ability to provide alternatives to the single occupant vehicle, and presents some opportunities for the IT3 Partnership to consider as it devises policy recommendations for possible legislative action.

### **Key findings are:**

- 1) Transit is key to improving mobility, not only in the metro Atlanta region, but also throughout the state.
- 2) Transit provides mobility choice, significant economic impact and sustainable transportation.
- 3) Transit operating costs are funded by local governments, with modest federal assistance and no state resources.
- 4) The need for improved state resources-including funding for operations-is clear.
- 5) Efficiencies can be created through the coordination between the various state agencies providing urban and rural transportation services.
- 6) The Georgia Department of Transportation needs a fully funded Office of Intermodal Programs that can truly represent the transit mobility option.
- 7) Incentives are needed for private sector participation/promotion in and of transit, including Transit Oriented Development (TOD), Public Private Initiatives (PPI) and business and personal tax credits for transit use.
- 8) The state could also expand its role in providing incentives through legislation making the motor fuel tax exemption for public transit permanent, amending the PPI law, and facilitating TOD.
- 9) Improved planning can occur through regional transportation planning entities.

## **I. How Georgia's 15 Urban Public Transit Systems Are Funded**

Georgia's 15 Urban Transit Systems are funded from a mix of federal, state, and local funds. Federal funding is provided through the Federal Transit Administration (FTA) of the U.S. Department of Transportation, principally under the following two programs:

- **Section 5307 Urbanized Area Formula Program** – Section 5307 is the primary federal “bread and butter” grant funding program for urban transit systems in Georgia. Funds can be used for capital and planning projects/activities, and for small urban areas, they can also be used for operating assistance. The matching ratio is 80% federal/20% non-federal. Formerly state law required that the state and local government (transit system) contribute equally to the 20% non-federal share, but the state may now contribute up to a maximum of 15% of the cost of the program (Ga. Code Annotated 32-9-2 (c)(3)). The non-federal share may be provided through a combination of state and local funds.

FTA apportions these funds based on statutory formulas, with different formulas applying to urbanized areas (UZAs) with populations over 200,000, and to those with populations of less than 200,000. For the smaller UZAs (under 200,000) the formula is based solely on population and population density. For UZAs larger than 200,000, the formula is based on a combination of revenue vehicle miles, passenger miles, fixed guideway route miles, and population/population density.

In FY 2008, large urbanized areas received the following allocations directly from FTA: Atlanta - \$62.9 million; Augusta - \$2.3 million; Columbus - \$2.1 million; and Savannah - \$3.2 million.

Smaller UZAs receive their funding through the state under the Governor's Apportionment. The Georgia Department of Transportation (GDOT) is the designated recipient of Federal Transit Administration (FTA) Section 5307 funds which are appropriated for areas under 200,000 population. These funds can be used for both capital and operating assistance. In FY 2008, a total of \$9.35 million for small urbanized areas (under 200,000 pop.) was apportioned to the Governor/GDOT, who then re-distributed the funds to the various local transit systems. The allocations ranged from \$627,659 to \$2,122,396 in size. Once UZAs hit an urbanized population of over 200,000, they become direct recipients of FTA funding.

- **Section 5309 Bus and Bus Facilities** – Under this discretionary program, funds are earmarked (principally by Congress) for specific bus-related capital projects. Capital projects include new and replacement buses, maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventive maintenance, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers and shop and garage equipment. FTA provides 80% funding with the state providing 15% for vehicles and 10% for other capital projects. For FY 2008 Georgia transit systems received a total of \$7.8 million. The amount received can vary from year to year.

- **Section 5309 Fixed Guideway Modernization and New Starts** – These two capital programs, which are utilized to a lesser extent within our state, have primarily been utilized by metro Atlanta systems (i.e., MARTA). For FY 2008, Georgia received \$33.1 million for Section 5309 **Fixed Guideway Modernization** and no funds for **New Starts**. FTA **New Starts** funding is targeted for the development of new fixed guideway transit systems/lines, and extensions to existing lines. This program is extremely competitive, and in order to qualify projects must have a demonstrable non-federal financial and local transit-supportive land use commitment. Projects that are not deemed by the FTA to have sufficient support – financially or in a land-use policy sense – are not competitive at the federal level. While Atlanta’s MARTA system has been the only Georgia agency to pursue New Starts funds in the past, funds from this program could be used for any urban area in the state that is planning a new rail or fixed guideway system.
- **Section 5316 Job Access Reverse Commute (JARC) Program** – Section 5316 provides funding for low income workers and welfare recipients to access transportation services and employment related activities. The **JARC** funds may be used for both capital and operating activities such as procurement of vehicles, provision of late night and weekend service, guaranteed ride home service, ridesharing and carpooling activities, intelligent transportation systems (ITS), and mobility management activities. For FY 2008, FTA provided \$4.4 million for Georgia in **JARC** funds.
- **Section 5317 New Freedom Program** – Under this grant program funds are provided for additional tools to overcome existing barriers for individuals with disabilities. The program also seeks to integrate these individuals into the work force and provide full participation in society. The **New Freedom** funds may be used for both capital and operating assistance. Projects may include expansion of service and acquisition of accessible equipment beyond requirements of the Americans with Disabilities Act (ADA), purchase of accessible vehicles to support taxi, vanpooling, and/or ridesharing programs, volunteer driver programs and mobility management activities. For FY 2008, Georgia received \$2.4 million for **New Freedom** funds.

State funding for urban transit is provided through the Georgia General Assembly and directed through GDOT. This amounts to developing a process to distribute federal capital funds and a provision of state resources to address matching requirements for such funds. Each year the Office of Intermodal Programs (OIP) solicits a request from all urban transit agencies about their state assistance needs for the upcoming fiscal year. The letter requests each transit agency to provide local match for each of the capital and planning FTA programs. OIP uses these projections to request from the Georgia General Assembly to provide the required state capital funds. GDOT also estimates the capital needs for all of the rural transit programs. OIP then uses these annual appropriations from the Georgia General Assembly to contract with each of the urban transit agencies, rural transit agencies and MPOs. For FY 2008, GDOT issued 197 contracts statewide for a total of \$6.3 million in state assistance.

Additionally, GDOT and GRTA jointly compile an annual Section 5309, Georgia Discretionary Federal Transit funding request (the “Georgia Unified Transit Agenda”) to provide Georgia Delegation members with a compilation of Georgia transit system bus and bus facilities appropriations requests by transit system. This list, while not prioritized, allows for an “order of magnitude” number for Delegation members to use as a target figure in the area of discretionary grant funding available to Georgia on an annual basis.

Local funding is provided through a variety of sources, primarily from county and city general tax revenues, as well as dedicated sales tax revenues in the case of MARTA. MARTA receives proceeds from a one percent sales tax levied in Fulton and DeKalb Counties, including the City of Atlanta. This is the only sales tax dedicated to transit in the state of Georgia. Except for MARTA most local funding of transit comes from local property taxes.

A summary of the funding received (*in millions*) from various sources for Georgia’s urban transit systems appears below. Note that state funds comprise less than 5% of the overall funding for the 15 urban systems, which carry more than 160 million passenger trips annually.

**Urban Transit Program Funding Sources  
(\$ Millions)**

FY 2007 NTD Data	Local Sources			State Funds	Federal Funds	Total
	Fare Revenue	Sales Taxes and Local Funds	Other Funds			
<b>Operating</b>	\$122.4	\$314.9	\$42.5	\$0	\$59.5	\$ 539.3
	22.7%	58.4%	7.9%	0.0%	11.0%	100.0%
<b>Capital</b>	N/A	\$156.1	\$ 0	\$10.3	\$54.5	\$220.9
	0.0%	70.7%	0.0%	4.7%	24.6%	100.0%
<b>Total</b>	\$ 122.4	\$471.0	\$ 42.5	\$ 10.3	\$ 114.0	\$ 760.2

**II. How Georgia’s 110 Rural Transit Systems Are Funded**

The rural program (49 U.S.C. 5311) provides formula funding to states for the purpose of supporting public transportation in areas of less than 50,000 populations. Eighty percent of the statutory formula is based on the non-urbanized population of the states, and 20% of the formula is based on land area. No state may receive more than 5% of the amount apportioned for land area. [The land area portion of the formula relates to the total non-

urbanized area for the state measured in square miles. No individual state can get over 5% of the nationally-apportioned amount for land area.] In addition, FTA adds amounts apportioned based on non-urbanized population according to the “Growing States” formula factors of 49 U.S.C. 5340 to the amounts apportioned to the States under the Section 5311 program.

GDOT is the designated recipient of FTA Section 5311 funds which are appropriated for non-urbanized areas of the state. These funds are provided for capital, operating and administrative assistance programs. The law dictates that 15% of the funds be set aside from our annual apportionment to support intercity bus service, unless the Governor certifies, after consultation with affected intercity bus providers that these needs of the state are adequately met. No such certification has been made.

The federal share of any capital item is 80% federal with the balance split between state and local sources. As noted in the section on funding of urban transit above, the State of Georgia may now contribute another 5% (up to 15% of the cost of the project or program), but this provision has only been used since FY ‘07 by the Georgia Department of Transportation.

The operating deficit for each of these programs is split at 50% federal and 50% local. As is the case for urban transit, the state does not provide any operating assistance to rural programs. Currently, GDOT administers 110 rural public transportation programs.

A summary of the funding received (*in millions*) from various sources for Georgia’s rural transit systems appears below. Note that state funds comprise 15% of the overall funding for capital – and no operating assistance – for the state’s rural systems, which in many cases are the only transportation option for some of our state’s most vulnerable citizens. Senior citizens comprise 43% of rural systems’ passenger load, and persons with disabilities another 19%. In addition, 57% of rural transit trips are for medical, educational, nutritional, or employment reasons.

**Rural Transit Program Funding Sources**  
**(\$ Millions)**

	Local Sources			State Funds	Federal Funds	Total
	Fare Revenue	Local Funds	Other Funds			
<b>FY 2008 GDOT Data</b>						
<b>Operating</b>	<b>\$1.2</b>	<b>\$ 9.8</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$9.8</b>	<b>\$20.8</b>
	<b>6.8%</b>	<b>46.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>46.6%</b>	<b>100.0%</b>
<b>Capital</b>	<b>N/A</b>	<b>\$ 0.1</b>	<b>\$0</b>	<b>\$ 0.4</b>	<b>\$2.1</b>	<b>\$2.6</b>
	<b>0.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>15.0%</b>	<b>80.0%</b>	<b>100.0%</b>
<b>Total</b>	<b>\$1.2</b>	<b>\$ 9.9</b>	<b>\$0</b>	<b>\$ 0.4</b>	<b>\$ 11.9</b>	<b>\$23.4</b>

[Note: Includes only GDOT-funded rural transportation funding]

### III. How Competitor States Fund Transit

As in Georgia, other states use a variety of funding mechanisms to provide transit service. Importantly, however, **of the 10 most populous states, Georgia is the only one that provides no operating assistance to transit agencies.** In fact, 41 states and the District of Columbia provide transit operating assistance, and Georgia is one of only 9 that does not. While Georgia's transit buses and vans travel on a road system supported by the motor fuel tax, local transit systems do not have access to dedicated revenues. They must rely on local government operating subsidies, which typically are provided through local property tax levies or general funds.

**Further, Georgia is last among the 10 largest states, providing only 50 cents per capita in overall state funds for transit (the entirety of these funds is for capital purposes). The other nine most populous states range from \$1.22 to \$133.28 per capita in overall state assistance for transit.** Several states that Georgia considers to be our economic competitors provide a much greater level of transit funding than does our own. The table below shows some of these examples.

<i>State</i>	<i>FY 2006 Funding</i>	<i>FY 2006 Population</i>	<i>Per capita Investment</i>
California	\$ 2,208,814,477	36,457,549	\$ 60.59
Texas	\$ 28,741,067	23,507,783	\$ 1.22
<b>Georgia</b>	<b>\$ 4,695,983</b>	<b>9,363,941</b>	<b>\$ 0.50</b>
North Carolina	\$ 66,466,447	8,856,505	\$ 7.50

In addition to the overall funding disparity, several states have unique funding mechanisms that serve to benefit their transit agencies' ability to leverage additional federal funds. For example, North Carolina provides a guaranteed state match for any FTA New Starts project located in the state. **This was a primary factor for the FTA awarding New Starts funds to the city of Charlotte for its new light rail transit system.**

### IV. Challenges Facing Transit in Georgia

The primary challenge, as discussed above, is the lack of support from the state for transit, particularly in the area of operating costs. Because urbanized areas over 200,000 receive no operating funds from the federal government, Savannah, Augusta, and Columbus, as well as the urban agencies in the Atlanta area, are forced to rely on local support for operating costs. Because these systems recently grew to over 200,000 population (Augusta and Columbus in 1990 and Savannah in 2000), they have been particularly adversely affected by the prohibition of use of federal funds for operating purposes.

Urban transit systems – as is the case with rural transit – **are struggling under the burden of the highest fuel prices ever experienced**, and they continue to face funding challenges, including homeland security concerns. At the same time, the federal government places significant mandates which drive up operating costs for transit agencies.

Such mandates include providing paratransit service, mandated by the Americans with Disabilities Act, which requires that public transit systems operating fixed-route service also provide complementary paratransit services for persons with disabilities. While this curb-to-curb demand responsive service is extremely expensive to operate on a per passenger basis, no net additional federal funding is provided for this purpose, **and the fares that can be charged cannot exceed twice the regular fixed route fare**. Moreover, an additional burden is being placed by the medical Non-Emergency Transportation (NET) sector, funded with Medicaid funds via the state Department of Community Health, which has been shifting a portion of its trips to the public transit sector.

Human services transportation provides another poignant challenge. Presently, at least four state agencies have roles in providing rural and human services transportation. These separate state agencies – the Georgia Departments of Community Health, Human Resources, Labor, and Transportation – receive a total of nearly \$200 million per year in federal grants to transport individuals to and from medical appointments, to provide other specialized trips, or for general transportation purposes.

Coordination among these agencies is primarily on an ad hoc basis, since no state law or executive order exists to require coordination among them. This results in unnecessary duplication of effort and inefficiencies in transportation service delivery, particularly because eligible uses (e.g. trips to a community mental health program, a senior center, or to the grocery store) for human services transportation funds vary by program.

Other federal mandates include ensuring the air quality of metropolitan areas in order to meet the requirements of the Clean Air Act, which necessitates a greater level of transit service, as well as meeting federal homeland security requirements, which also necessitates additional expenditures on the part of transit agencies.

For commuter rail, the federal government requires that 20 years of operating support for new rail lines be identified prior to a federal commitment being made. The lack of state support makes this difficult. In addition, outdated state restrictions on funding flexibility, such as a statutory requirement that MARTA spend 50% of its sales tax revenue on operations and 50% on capital needs, unnecessarily limit the ability of transit agencies to meet their operating needs.

With regard to capital funding, transit challenges in Georgia are similar to those facing other states. Federal funding is not keeping up with needs, as the Federal Highway Trust Fund is nearing insolvency; and the Mass Transit Account is expected to experience a negative balance by FY 2012. Local agencies typically match federal contributions with local general funds, typically – as noted earlier – generated by property taxes.

The lack of capital funds is particularly critical because Georgia's bus vehicle fleet is older than national norms – within 6 years, over 47% of the state's transit vehicles will exceed their useful life. By using the federal guidelines, and without replacing any of the fleet, within 12 years the entire fleet will have met its useful life and will require additional maintenance costs to continue to operate.

The listings for transit agencies whose bus & rail fleets are above the national average include the following. Those systems not listed indicates their fleets do not exceed the maximum standards for replacement (total number of each system's buses or rail cars are indicated below):

1. Albany – 9 buses – average age = 9
2. Athens – 26 buses – average age = 6
3. Augusta – 25 buses – average age = 6
4. Savannah – 55 buses – average age = 7.2
5. Columbus – 32 buses – average age = 8.5
6. Macon – 26 buses – average age = 7.5
7. Rome – 39 buses – average age = 11
8. MARTA Rail Cars – 338 – average age = 16.9 (2007 NTD) National Average = 21.6 (2006 NTD)

## **V. The (Business) Case for Transit**

### **✓ *Transit Provides Mobility Choices***

The most obvious benefit of public transportation is that it provides mobility choices to consumers. Particularly in urban areas, but also to some degree in rural parts of the state, transit allows consumers an alternative to the automobile, thereby decreasing undesirable conditions such as traffic congestion and improving overall quality of life. In addition to those who “choose” transit, some segments of the population, including our rapidly expanding senior citizen community, use transit as a “lifeline” to meet routine medical, social, and economic needs. The senior population is projected to double within the next 25 years. Without transit, these citizens would clearly be less productive members of society.

### **✓ *Transit Has A Measurable Economic Impact***

“Capital investment in Public Transportation sparks a chain reaction in business activity that far exceeds the initial investment,” according to the National Business Coalition for Public Transit. Transit is a proven investment in any community it serves. According to the American Public Transportation Association (APTA), every \$1 invested in transit returns \$6 in local economic activity and provides \$1.50 in savings in overall transportation costs. Additionally, a \$10 million capital investment in transit directly contributes to approximately \$30 million in increased business sales.

As a further example, the University of Georgia's Carl Vinson Institute of Government determined that MARTA contributed to an estimated \$2 billion in the metro Atlanta region and \$2.1 billion in the state of Georgia in total output of goods and services in 2001. MARTA's contribution to total output is estimated to grow to \$10.3 billion in the region and \$10.5 billion in the state by 2055 – more than double the total forecasted output of the forestry and timber industry in the state. In addition, MARTA helped to create about 19,600 jobs in the region in 2001, and is expected to create an estimated 45,500 jobs in the region by 2055 – the equivalent of the forecasted size of the region's hotel industry. [See Attachment, "The Economic Impact of the Metropolitan Atlanta Rapid Transit Authority: An Analysis of the Impact of MARTA Operations on and around the Service Delivery Region," Thomas Tanner and Adam Jones, University of Georgia, Carl Vinson Institute of Government, May 2007.]

In areas served by rail transit in particular, the economic impact of transit is evident through the increasing popularity of transit-oriented development (TOD). This type of development attracts private capital by integrating transit availability with particular land uses, such as residential and office, and creates walkable, mixed-use communities that are efficient, safe, and convenient to travel within. Integrating transit with desired land uses maximizes public investment because it concentrates populations around a single area, reducing traffic congestion and transportation capital investment elsewhere. TOD is increasingly common around the United States.

Finally, transit makes economic sense for the people who use it. According to APTA, an individual who gives up an automobile and instead takes public transit can save an average of more than \$8,000 annually, which is about \$2,000 more than the annual cost of food (according to the Food Institute). Further, for those living in an area offering a robust transit option, transportation expenses consume only 9% of the household budget, compared to 25% for those living in areas with no transit. Current public transportation usage reduces U.S. gasoline consumption by 1.4 billion gallons per year, benefiting our economy by reducing our dependence on foreign oil. [See American Public Transportation Association, [www.apta.com](http://www.apta.com), News Release September 4, 2008, "Even With Declining Gas Prices, Public Transit Users Save \$9,596 Per Household Annually."]

#### ✓ *Transit is Environmentally Sustainable*

There is no question that use of public transit is a more environmentally sustainable mode of transportation than the automobile. A 2007 APTA study showed that when compared to other household activities that limit carbon dioxide (CO<sub>2</sub>), taking public transportation has a 10 times greater impact on reducing this harmful greenhouse gas. One member of a household can reduce the household's carbon footprint by 10% by giving up driving and taking public transit. If another member of the household stops driving, they can reduce carbon emissions by up to 30%. A separate study showed that public transportation reduces our nation's carbon emissions by 37 million metric tons annually – equivalent to the electricity used by 4.9 million households. As the largest transit provider in metro Atlanta, MARTA contributes to removing approximately 185,000 vehicles from the road daily – reducing vehicle miles traveled substantially – and that number is steadily growing.

## **VI. Recommendations to Improve Mobility: Enhancing Transit’s Ability to Provide Alternatives to the Single Occupant Vehicle**

### ***✓ Devote Additional State and/or Regional Revenue Sources to All Transportation Modes***

The need for additional financial resources for transit and other modes of transportation in Georgia remains greater than ever. The Georgia Transit Association (GTA) is an active member of the Get Georgia Moving Coalition (GGM) and joins GGM in making the following policy statement: “There is a need to create a new, coherent, and consistent transportation funding policy in Georgia. The promotion of economic development, environmental sustainability, air quality and safety underpin any successful policy.”

The lack of state funds allocated to public transportation in Georgia hinders the ability of providers to adequately meet the needs of their customers. **With 110 rural systems and 15 urban systems in Georgia, transit is not an “Atlanta only” issue.** Citizens throughout the state would benefit from additional state assistance for public transportation.

In addition to recommended increased state support for transit, Georgia should adopt the North Carolina strategy to provide a guaranteed state match for any FTA New Starts project located in the state. New Starts will continue to be highly competitive, and this approach would be a good first step in Georgia’s competing with transit projects nationally.

Rural areas in particular would benefit from this assistance, as the rural governments often do not have the resources to provide the local operating match for general public trips. As a result, rural public health transit services are generally available only to human service agency clients. **If Georgia were to provide operating assistance to local transit systems, it would join several southeastern states that provide such assistance, including Florida, North Carolina, South Carolina, Virginia, and Tennessee.** This would help facilitate the establishment of public transit as an economically sustainable part of a comprehensive transportation system.

The 2008 Georgia General Assembly built upon the work of the Joint House-Senate Transportation Funding Study Committee and came very close to passage of legislation which would allow Georgians to impose a sales tax upon themselves on a regional basis for “all transportation purposes.” In the past year GTA has joined GGM and others in advocating for some and proposing analysis of others of the following ways to provide alternative and other revenue sources for all modes of transportation. Some of these include:

- A new sales tax funding mechanism that would be dedicated to providing congestion relief, improving air quality and promoting environmentally responsible economic development for all regions of the state.

- Optimization of current revenue sources
  - Allocation of the fourth percent of the state sales tax user fee on motor fuel to all transportation purposes, including operating expenses for transit.
  - Examination of agreements governing the use of state-owned transportation facilities (e.g. existing leases) and dedication of revenue to appropriate transportation uses.

New funding sources for transportation should be consistent with the following principles established by the Georgia Transit Association:

- Purpose (use of proceeds) should include all modes of transportation, including transit;
- Allow for funding of existing operations;
- Supplement, not replace, existing funding; and
- Provide flexibility for regions of the state to address their transportation needs.

GTA also joins GGM in advocating that new revenue sources have a multi-year funding basis, be able to be implemented in the short-term, and be based on a fair system of geographical return on investment.

✓ ***Adequately Fund and Integrate the Intermodal Office of GDOT***

One of the Get Georgia Moving funding policy recommendations is to adequately fund the Rail Section of the Office of Intermodal Programs within GDOT to ensure that infrastructure improvements are conducted on railroads in a timely manner for economic development and safety purposes. Moreover, strengthening the role of railroads in the total Georgia transportation network also should ensure access to rail lines in urban areas for commuter rail applications. By tying funding for overall rail improvements to possible commuter lines, a further linking of rail into the state's total transportation system would be ensured.

The Georgia Transit Association would carry the GGM recommendation one step further to better integrate the Intermodal Office into GDOT and fund the entire section more sufficiently in order to achieve sufficient staffing levels. GTA is also aware of GDOT Commissioner's effort to upgrade the Office of Intermodal Programs to a Division of Intermodal Programs. This first step is certainly in the right direction to provide necessary staffing levels and to make Intermodal a more important component of the Department. GTA is not unmindful of the current budget deficit facing the state of Georgia, but it feels compelled to urge the state to achieve this goal as soon as economically feasible.

✓ ***Promote Efficiencies and Economies of Scale and Create Regional Transportation Planning Entities***

Not only is it appropriate for the state to take a greater role in transit because it is a statewide issue, the state can more clearly define governmental roles with regard to transit. Although it is most obviously a challenge in the metro Atlanta area with several transit operators functioning independently for the most part, there is clearly a lack of coordination among transit providers statewide. The creation of the Transit Planning Board (TPB) in the metro

Atlanta area, and recent joint planning among GDOT, GRTA, and MARTA provide excellent momentum and opportunities for intergovernmental cooperation in addressing the area's transportation challenges.

In recent years, there has been a growing recognition of the needs of rural transit systems as well as a movement toward regionalization of transit services across the state. The creation of the TPB in the metro Atlanta area, and the establishment of a regional approach to transit in some rural areas of the state – by partnering with regional development centers (RDCs) – provide examples of how regional planning can be accomplished statewide. This regionalization of public transportation services has occurred with little to no overarching organizational framework or statewide strategy. The establishment of regional transportation planning organizations or transit districts would permit the continued beneficial trend toward regionalization in a more coordinated and organized fashion.

✓ ***Establish a Coordinating Council on Rural and Human Services Transportation***

Given the high costs of providing transportation service to the aged, the mentally or physically disabled, or to the rural population of Georgia, every possible avenue to achieve cost effectiveness should be explored. Georgia state agencies involved in providing such services should study the benefits and opportunities to share funding, facilities, acquire vehicles and maintain them, share in the use of trip planning technologies, and jointly review the manner in which shared use of vehicles could be improved.

It is recommended that the General Assembly pass legislation or the Governor by executive order establish a State of Georgia Rural and Human Services Transportation Coordinating Council, to be composed of all of the state agencies currently providing such transportation, with opportunity for input provided to the Council by representatives of local government entities, including transit systems, having an interest in this subject matter. The Council should be charged with exploring the manner in which such services are delivered, including at a minimum: an analysis of opportunities to share in federal transportation funding, facilities, and vehicles, and exploring related issues such as vouchers. The Council should be required to make an annual report to the Governor and General Assembly, which report should include recommendations on how to improve such rural and human service transportation delivery.

✓ ***Allow for Greater Use of Public-Private Initiatives (PPI) in Transit***

Recently there has been much discussion of innovative funding programs like concession/privatization of transportation facilities and public-private initiatives (PPI). GTA notes that while PPIs may be an option for some transit projects, they are but one of many approaches which could be employed in addressing overall transportation needs. In addition, some aspects of the PPI law such as those related to unsolicited proposals, do not allow transit as much flexibility as other transportation sectors. In the case of transit one particular concern is that unless the PPI process allows for “up front” commitment of public funds and flexibility in the type of funds which could be used, it is unlikely that transit projects would be attractive to the private sector.

The PPI option should adequately address all transportation modes. One approach would be to require the consideration and discussion of a transit component of any PPI proposal which is submitted for public consideration, to at least require consideration of how PPI highway proposals could integrate transit into them.

✓ ***Make the Motor Fuel Tax Exemption for Transit Systems Permanent***

Local governments in Georgia have few alternatives to the property tax for funding transit systems for capital or operational purposes. In passing HB 1035 in 2008, the General Assembly extended current law granting an exemption from taxes on motor fuel purchases by transit systems until June 30, 2010. This exemption is likewise authorized in 22 other states, thus helping transit systems to lower their operating costs. However, it would be helpful if the MFT exemption allowed for Georgia's transit systems did not "sunset" every two years. This approach would be similar to that applied to other governmental entities in Georgia (e.g. counties, municipalities and the university system) whose sales tax exemptions do not have to be periodically extended by the General Assembly.

The previous solutions provide recommendations both to adequately fund transit and to enhance the process of delivery of transit services. The following discussion offers ways for the state to expand its role in facilitating the use of transit as a means of enhancing economic development and enhancing environmental sustainability.

✓ ***Provide a State Individual Income Tax Credit for Transit Use***

In 1999, legislation was passed to give state corporate income tax credits to companies that provide certain qualified transportation fringe benefits, including the purchase of transit fare cards, to their employees. There is no such incentive for other employees-like government workers- to increase their use of transit. HB 307, which was introduced in the 2007 General Assembly, would have allowed an individual to claim a maximum of \$300 as a credit on his or her individual income tax for "qualified personal mass transportation expenses." The annual cost to the state was limited to \$2 million. GTA recommends the passage of legislation with an appropriate cap allowing a state individual income tax credit of up to \$300 for persons who purchase their own transit fare cards or have other qualified personal mass transportation expenses.

✓ ***Develop Incentives for the Private Sector to Promote Transit***

Georgia has a number of incentives or policies for making more attractive the use of alternative transportation choices – a corporate income tax credit for employees' transit fare media subsidized or funded by employers, tax credits for teleworking expenses borne by employers, and a state government policy encouraging teleworking. A number of states and localities have adopted or considered a number of other alternative transportation policies, which should be considered by the State.

A full discussion of these options may be seen in the November 16, 2007, *Report* to the Georgia House of Representatives Flexible Work Week Study Committee presented by the

Atlanta Regional Commission, Clean Air Campaign, GDOT and GRTA to the Study Committee. Options discussed in that *Report* [see Attachment] are: tax credits for implementing compressed work weeks; parking “cash out” programs; mandating of commuter choice programs; reporting by employers of transportation mode split information; training for teleworking by state employees; evaluation of existing incentives for use of alternative transportation, including making data available by the Georgia Department of Revenue; and individual state income tax credits for purchasers of transit fare media.

✓ ***Support Transit Oriented Development (TOD)***

While support for TOD is growing, most developers still perceive these projects as high risk. One additional incentive for the private sector could be a model used in California to promote transit-oriented development: “transit villages.” By creating incentives for developers to build TOD and “smart growth” projects, cities and counties can help lower the risk for developers while encouraging efficient land use and the creation of urban transit villages. The state can encourage cities and counties to adopt some of these incentives, which might include reducing minimum parking requirements, offering density bonuses around transit stations, allowing property tax abatements around transit nodes, or offering additional state funding to cities and counties that adopt transit village plans.