

**A Widening Gap:
Funding Needed Public Transit Services in the Upper Valley of NH/VT**

Super-Summary

Please see our website for a download-able .pdf of the entire document and an expanded Executive Summary.

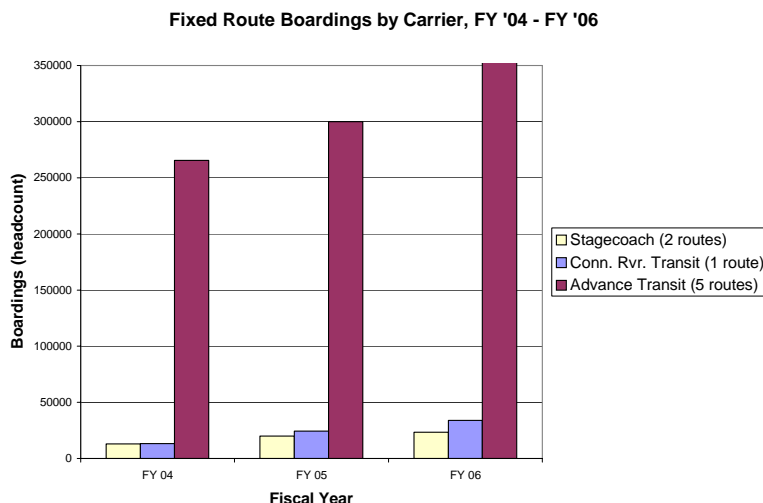
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Super-Summary of “A Widening Gap: Funding Needed Public Transit Services in the Upper Valley of NH/VT”

Since 2004, there has been a marked acceleration in Upper Valley public transit utilization, as measured by ridership data.¹ This has followed a trend of smaller annual increases in ridership every year since 2001. Unfortunately, municipal contributions have not kept up with the public’s need for transit services. For example, during FY '01, when the annual boardings of the Upper Valley’s largest public transit provider were only 156,800, municipal contributions were the equivalent of \$1.12 per boarding. By FY '04, with boardings steadily increasing and municipal funding almost stagnant, this figure eroded to 67 cents. One year later it was 62 cents. A crisis in 2005 prompted municipal funding to respond significantly: to 78 cents per boarding. Near-level funding in FY '07, however, will reduce municipal support to 69 cents per boarding if ridership continues to grow at its recent pace.



In the Upper Valley -- as defined by the Hartford-Lebanon Labor Market Area (LMA) consisting of 35 towns -- transit bus travel demand has reached or exceeded capacity during popular morning and evening periods, and not just on Advance Transit. Operating funds are severely limited, as public transit is under-funded -- especially in New Hampshire -- despite the fact that money spent on rural transit has a multiplier effect in the local economy and helps seniors continue to live and function in their own community.

Local matching funds are almost always a prerequisite to secure state and federal funding for sustaining and expanding transit bus services. Local funding has traditionally been derived from individual municipalities that are served by the carriers. This is a time-consuming and uncertain process because the local municipalities are not compelled to allocate funds, and with some exceptions do not utilize formulae that link funding to population or ridership. Thus, the amounts raised by traditional means are both uncertain and inadequate.

Municipalities and individual states face many demands for their funds, and to the extent that funding of transit services is perceived to be discretionary, it is difficult to secure enough working capital from traditional sources to expand transit services, even when a demand for such services is clearly present. Therefore, we recommend and advocate developing more non-traditional (i.e., non-tax) sources of local funding for public transit and, at the same time, strongly recommend more funding help from the state level for operations.

In summary: Existing public transportation services in New Hampshire and Vermont are being threatened by inadequate funding. Persistent increases in transit ridership (and demand for new services) highlight the need to provide funding commensurate with this growth while at the same time, municipalities and the states are under severe pressure to limit tax increases. Therefore, non-traditional sources of local funds should be more aggressively explored -- including “user fees”, more employer participation, possibly tax-increment-financing (TIFs), and greater allocation of general fund, gasoline tax and/or toll revenues to public transit at the State level. Our complete paper concludes with a detailed list of near-term and long-term recommendations.

¹ “Ridership” is more specifically referred to as “boardings”, i.e., the number of persons who board a scheduled point-to-point bus or van service weekly, monthly or annually.