

Innovative Approaches to Local Match

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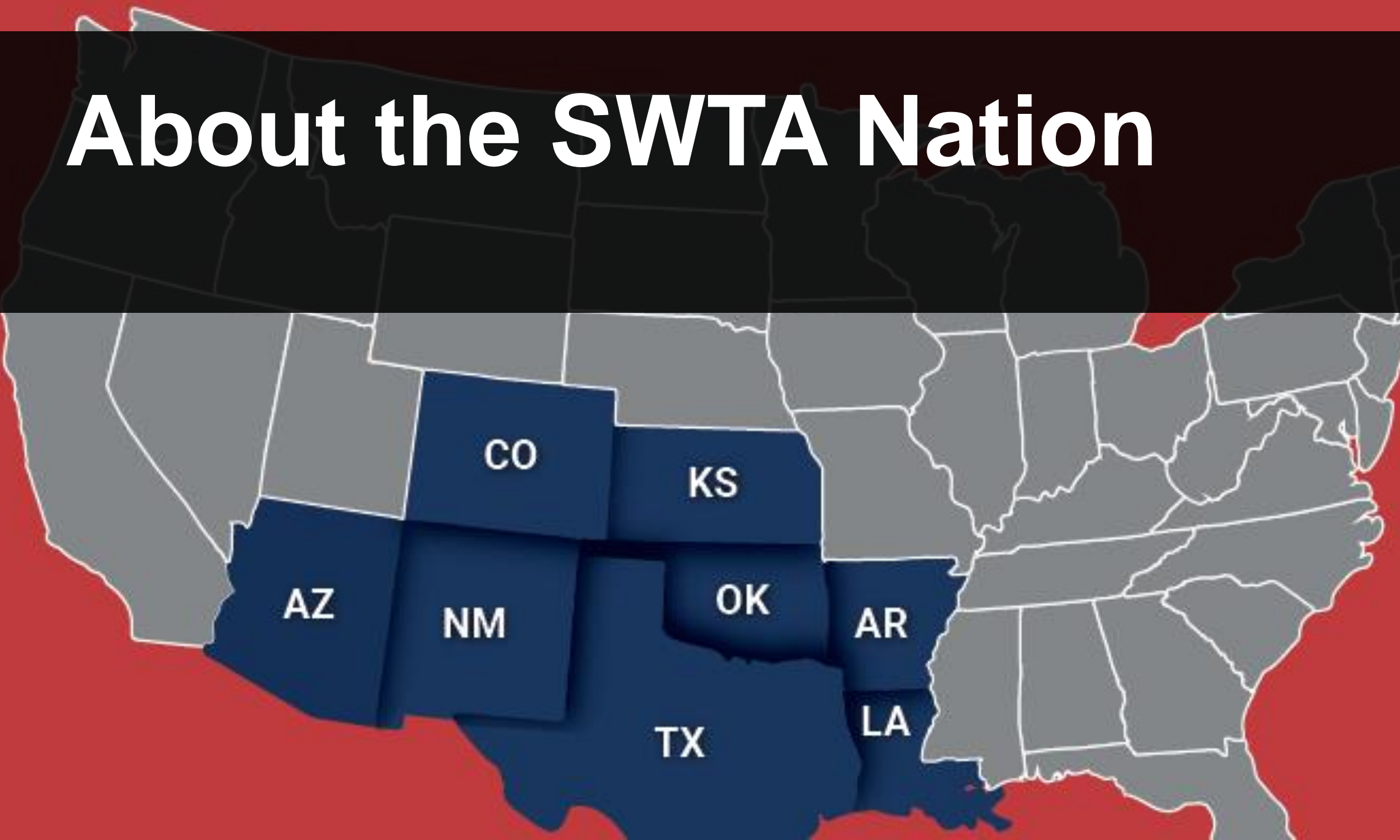
Arizona Transit Association

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About the SWTA Nation



Session Outline

- The Current Federal Funding Environment
- Traditional Funding Sources
- Innovative Options
- Examples of Innovative Options
- Outreach & Framing
- Questions & Discussion

The Current Funding Environment

- Federal Funding: Capital Projects – 80% federal/20% local; Operating Funds: 50% federal/50% local
- Nearly 40% increase in all federal formula programs along with growth in Capital Investment Grants & discretionary/competitive programs, which means....
- You now need to find additional local match funding!
 - I.e. If you were receiving \$1 million in federal operating funds requiring \$1 million in local funds, you'll now receive \$1.4 million but need to identify an additional \$400,000 in new local match

The Reality

There are no magic solutions

Don't try to do everything

Look for supportive, not exploitive arrangements

You want a multi-legged stool so your security blanket is bigger (allows for resilience if X source goes away)

Look at expense side of operations (use federal capital funds at higher ratio to purchase equipment – ie. installing solar panels = reduction of power bill = new local match by saving \$\$s)



TCRP

REPORT 129

TRANSIT
COOPERATIVE
RESEARCH
PROGRAM

Local and Regional Funding Mechanisms for Public Transportation

Sponsored by
the Federal
Transit Administration

**AN
IMPORTANT
RESOURCE**

Hypothetical, But Never* Work

- Toll funding at state level thru DOT
- Congestion pricing
- Vehicle Miles Traveled
- Carbon Emissions Fees
- Public/Governmental Activity Bonds
- Opportunity/Empowerment Zones & Related Bonding (areas of economic suffering)

Thinking About Current Resources Differently...

- In-Kind Contributions: property, fuel, radio/communications assets, etc
- Non-Emergency Medical Transportation (NEMT): be wary of trying to compete on losing terms; re-frame their budget with your costs; using public funds into private profit
- Carry-overs from previous fiscal years (becomes local match if you put it in a capital escrow account): talk to finance folks & FTA Regional Office

Traditional Funding Sources

- Farebox receipts
- General local governments including community development or public works budgets
- Dedicated tax (not available to all systems) / millage (takes years to line-up)
- Contracts/Medicaid/Purchase-of-Service
- Non-DOT federal funds (most are hard to access)

Innovative Match Sources

- Hotel/lodging/rental car fees
- Voluntary check-off on taxes or drivers licenses
- Business districts/TOD
- FTA Joint Development/PPPs (some FHWA funds/programs)
- Mixed-use at facilities (child care, workforce service)
- Revenue-generating property (if allowed)
- Advertising & Sponsorship

Innovative Match Sources (cont.)

- Business Development Districts/Main Street Associations
- Fleet services (maintenance/fueling for other departments)
- 5311(f) intercity service to attract additional state funds
- Faith/charity/foundation partnerships
- Drivers operating trips under TNC Apps (ride payment + tip) – Morgantown, W.V. is trying this

Real-World Examples

Communities of Varying Sizes



Advertising/Sponsorship (Naming Rights)



Municipal Utility Fee

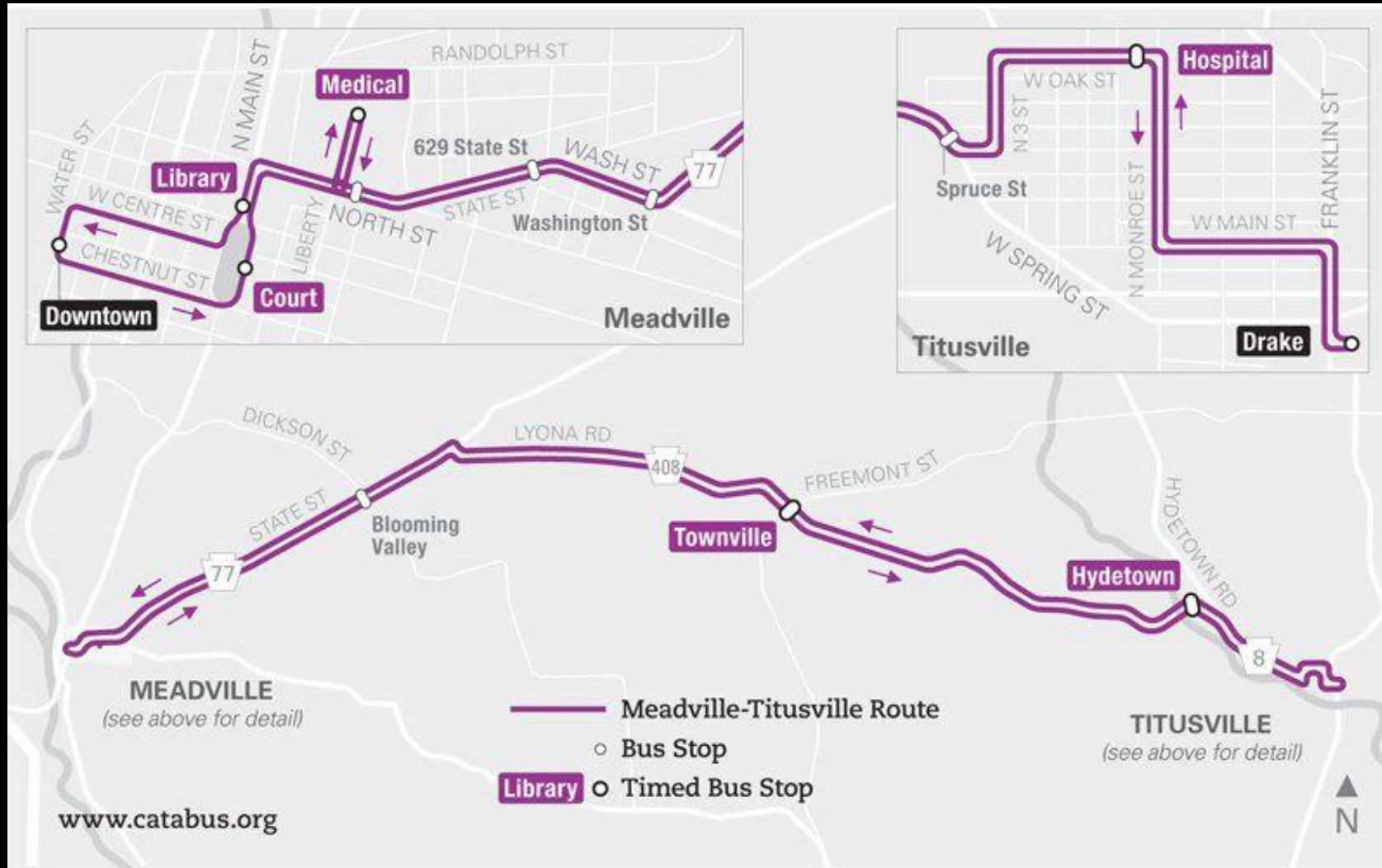


Corvallis Transit System

Corvallis, OR

- Adopted in 2011 (no vote needed)
- Transit included on municipal services bill
- Supports fareless transit citywide, all modes
- 37 percent increase in ridership
- average single-family home currently pays \$3.55 per month – or \$42.5 per year
- fee delivers about \$1.2 million annually, compared to \$400,000/year previously allocated by the city

Purchase-of-Service: LifeLine Routes



**Crawford Area
Transportation
Authority**

Meadville, PA

- 1st route: 2015
- 4 routes today
- Supplements any gap between farebox revenues and operating expenses

Outreach & Framing

- Partners & Businesses: Engender a sense of ownership
- Voters & Elected Officials: Demonstrate results of investment or consequences of cuts
- Free/Zero Fare versus Fareless
- Identify Shared Outcome Goals
- Always Cultivate New Opportunities

Questions & Discussion

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