



ACTION COMMITTEE FOR TRANSIT

Transit Times

The Newsletter of the Action Committee for Transit of Montgomery County, Maryland
Volume 18, Number 4, October 2004

ACT's next monthly meetings will take place at 7:30 PM, the second Tuesday of each month, at the Silver Spring Center, 8818 Georgia Avenue:

Oct. 12: Lindsey Layton, Washington Post - "Reporting on Transit Issues."

Nov. 9: Robin McElhenny-Smith, WMATA - "Columbia Pike, Virginia Transportation Corridor Study."

Dec. 14: TBD



John Carroll

Steve Silverman presents award to Cindy Snow
See story page 8.

Feature Articles

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MNCPPC Working on Purple Line Routing Options

Harry Sanders

In response to a request by the Montgomery County Council, staff at the Maryland National Capital Park & Planning Commission (MNCPPC) - Montgomery County is evaluating alternative routings for the section of the Purple Line light rail option between the Georgetown Branch junction in North Silver Spring and University Blvd. in East Silver Spring. The effort is designed to complement Maryland Department of Transportation's (MDOT) more substantive planning work on the whole route. MNCPPC staff provides more detail at www.PurpleLine.org.

Join ACT Now

You can join ACT by remitting membership dues. Your membership dues are based on the category of membership that you choose:

\$10 [rider (code R on mail label)]
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[the two digits after your category of membership code indicates year paid]

Send your check for the chosen category of membership to:

Action Committee for Transit
P.O. Box 7074
Silver Spring, MD 20907
www.actfortransit.org

You may also give your membership dues to Treasurer John Carroll at the next ACT meeting. The address on your check will be used as the mailing address unless otherwise indicated.

Your dues support ACT Activities and this newsletter.

ACT Calls Attention to Posting of Bus Schedules

Ben Ross

At the August ACT membership meeting, a motion was passed to send a letter to Washington Metropolitan Area Transit Authority (WMATA) General Richard White to call attention to the schedules posted at bus stops. During the past few months, new schedules have been posted at these stops (not everywhere but at many locations).

The problem with these schedules is that they resemble the pocket schedules, which list several time points, but not necessarily the schedule for the stop where they are posted. Furthermore, the newly posted schedules occupy more space than the old ones and offer less information. In fact, there is not enough room for both weekday and weekend information.

The old schedules provided better information in that the time points were given for the stop at which they were posted. Second, the old schedules provided both weekday and weekend time points if there was service on those days. The ACT letter of August 15, 2004 to WMATA recommended returning to the posting of schedules in the old format.

The MNCPPC staff presented these findings to the Montgomery County Planning Board on Thursday, Sept 30th. The Planning Board is making their recommendations that day for consideration by the Montgomery County T&E Committee after this newsletter is printed. The full County Council will discuss the issue as part of the Planning Board Bi-annual Report. At a later date this year or early in 2005, MDOT will sponsor public workshops on both bus and rail options of the Bethesda to New Carrollton section of the Purple Line (Bi-County Transitway) Study.

Thanks to all the members who have written letters to editors, letters to elected officials and letters of comment to planners. We of course don't get to see (and make a record of) all these efforts but do wish to recognize persons whose letters reached a virtual pile in our virtual office. Every letter helps the cause. Thanks to all, known and unknown.

Damascus and Mt. Airy To Get Commuter Bus Service

Excerpt Eyre Announcement

Starting October 4th, Eyre Bus Service will begin offering twice daily commuter service from the Mt. Airy Park & Ride and the Damascus Park & Ride to Shady Grove Metro Station. This service is being privately funded by Eyre, without state funds. It will also be the first rush-hour transit service in Carroll county; something ACT has long been pushing for. For more information call Eyre Bus Services at 800-321-3973 x3213 or visit www.eyre.com.

Morning Schedule:

Mt. Airy - Departing: 5:30am & 7:15am

Damascus - Departing: 5:45am & 7:30am

Shady Grove - Arriving: 6:15am & 8:00am

Evening Schedule:

Shady Grove - Departing: 4:15pm & 6:00pm

Damascus - Arriving: 4:45pm & 6:30pm

Mt. Airy - Arriving: 5:00pm & 6:45pm

Metrorail To Open Earlier

Excerpt Metro Press Release

Starting Sept. 27 Metrorail will open 30 minutes earlier on weekdays. Stations will open 10 minutes before the first train leaves, but opening times and first train times will vary by station. At Glenmont, trains will start at 5 a. m. The first train departing Shady Grove will leave at 4:57 a.m. To learn about opening times at other stations go to http://www.wmata.com/timetables/rail/First_weekday.pdf or call 202-637-7000.

3 New Metrorail Stations To Open

Excerpt Metro Press Release

New York Ave, Morgan Blvd and Largo Town Center station openings have been set. The New York Ave -Florida Ave -Gallaudet U Metrorail station will open Nov. 20, one month ahead of schedule. The Blue Line extension to Largo, with two new stops, the Morgan Boulevard and Largo Town Center Metrorail stations will open on December 18.

Inspector General Questions Ride-On Practices

Quon Kwan

On April 19, 2004, the Inspector General for Montgomery County, MD issued an audit report identifying the lack of management controls over supervisory overtime at Ride-On. The audit was prompted by complaints about the Division of Transit Services. It covered fiscal years (FY) 2002 and 2003. The audit was performed under contract with Gardner, Kanya, and Associates in accordance with the Government Auditing Standards issued by the U.S. Comptroller General.

During FY 02 and 03, Ride-On spent \$196,382 on supervisory overtime. The Silver Spring depot expended 55% of this amount, Gaithersburg depot expended 36%, and central communications 9%. From a sample of 40 timesheets (2 timesheets randomly selected for each of the 20 supervisors) during FY 02 and 03, the Inspector General found:

- In 85% of the overtime events, no justification was provided for overtime charges.
- In 13% of the overtime events, the stated justification could not be corroborated independently.
- None of the timesheets had any backup of written approval to work overtime.
- Voucher and timesheet were paid despite the lack of approval signature.

Because the Inspector General found that the overtime worked was not justified for the most part and overtime charges were NOT reviewed by management, the Inspector General labeled the entire \$196,382 as a "Questioned Cost." In the end, the Inspector General recommended the following remedies to control overtime fraud and abuse:

- Written overtime request forms,
- Written justification for overtime,
- Written management approval of overtime,
- Management review of work performed during overtime, and
- Management comparison of overtime charges on timesheets to overtime request forms.

Overtime per supervisor per year at Silver Spring depot averaged 376 hours while that at Gaithersburg depot averaged 162 hours (data not available for central communications). There is a consistent pattern of more overtime at the Silver Spring depot. While the difference in overtime between the two depots may be due to size of operation, what was striking was the difference in when overtime was charged at each depot.

The majority of overtime occurred during the weekdays at Silver Spring depot while the majority occurred during the weekends at Gaithersburg depot. From these data, the Inspector General found that staffing patterns and job duties are not consistent at the two depots and recommended adjusting responsibilities to obviate overtime and optimizing work loads and staff needs.

Besides overtime charges, the Inspector General audited performance measures used by Ride-On. Of particular concern were "on-time performance" and "passengers transported."

With respect to on-time performance, the Inspector General determined Ride-On's methodology to be inadequate. Ride-On samples 600 to 700 bus stops (depending on staff availability) using a criterion of "a bus leaving a scheduled stop location no more than (i) one minute early or (ii) five minutes late." The Inspector General found that Ride-On does not have a rationale for sample selection and that Ride-On's current reporting of percentage of on-time performance is not a

true representation of all stop locations served. He recommended using a sound sampling method and including all types of bus stops.

With respect to passengers transported, the Inspector General determined that Ride-On bus operators did not consistently record boardings on the farebox each time a passenger boarded. Consequently, the Inspector General found that the number of passengers transported is inaccurate and recommended that management review passenger count procedures with bus operators, stressing accuracy and consistency.

Washington's Metro: Deficits by Design

Quon Kwan

In June 2004, the Center on Urban and Metropolitan Policy and the Greater Washington Research Program, both of the Brookings Institution, jointly issued *Washington Metro: Deficits by Design*, the tenth report in the Transportation Reform Series.

This report examines the unusual financial funding of the Washington Metropolitan Area Transit Authority (WMATA). WMATA faces a total budget shortfall of \$25 million for FY2005 and a \$1.5 billion gap in meeting essential and urgent capital priorities over six years. WMATA has depended on annually appropriated subsidies from local government jurisdictions (which make up the WMATA service area). This dependence makes, Metrorail and Metrobus, the regional transit service, particularly vulnerable to recurring financial crises. To address this problem the report concludes that Metrorail and Metrobus need a dedicated funding source.

WMATA's FY 2004 total budget is \$1.30 billion, consisting of \$0.89 billion operating budget and \$0.41 billion capital budget (see last issue of *Transit Times* for explanation of these different types of budgets). By the size of its overall budget, WMATA is the fourth largest transit agency in the country; this fact is consistent with being the fourth largest transit agency in the number of employees. However, WMATA is second largest (New York City is first) in annual ridership. Outside of New Jersey, WMATA is the only heavy rail transit system that crosses state lines.

WMATA labors under an extraordinarily complex governance structure, unique in the country stemming from its interstate nature. Because it serves Maryland, Virginia, and the District of Columbia, WMATA relies on funding from two states, three counties and two cities, and the District, which functions both as a state and a city. WMATA is akin to an institutional orphan for which no single governor, mayor, or legislature takes responsibility.

When WMATA was established, the jurisdictions making up the WMATA service area could not agree on a uniform tax, and consequently, state and local governments have supported WMATA through annual appropriations of subsidies. The only requirement, imposed by the National Capital Transportation Amendments of 1979 (Stark-Harris bill), is that the state and local governments have a "stable and reliable" source of revenue for the subsidies.

Congress did not define "stable and reliable." The U.S. Department of Transportation issued written guidance in 1979 but failed to specify "stable and reliable" sources. However, according to the General Accounting Office, the U.S. Department of Transportation orally told the jurisdictions that 70 – 75% of "stable and reliable" funding should come from dedicated, earmarked sources. The state and local jurisdictions have never come close to 70 – 75% levels.

An example of a "stable and reliable" funding source is a dedicated tax. Another example of "stable and reliable" is a trust fund. Nevertheless, the Maryland Transportation Trust Fund (TTF), albeit called a trust fund, is not truly a trust fund for reasons that will be described later [see article in this issue, "How Is Transit Paid for In Maryland"].

No funding for WMATA's capital budget comes from "stable and reliable" sources. Instead, about 67% of the funding for WMATA's capital budget comes from Federal government and the remaining 33% from state and local government general revenue. The National Transit Database shows that 53% of the total funding for capital budgets of all transit agencies serving populations of more than one million in the U. S. comes from dedicated taxes (in contrast to WMATA's 0%).

With respect to funding for WMATA's operating budget, only 2% comes from local government dedicated revenue, 2% from the Federal government, 44% from the farebox, 35% from state and local government general revenue, and 17% from development fees and other non-transit sources. The National Transit Database shows that 39% of the total funding for operating budgets of all transit agencies serving populations of more than one million derive comes from dedicated taxes (in contrast to WMATA's 2%).

WMATA derives a much higher share of its funds from local general revenues than the national average. In terms of capital budget, 21% of WMATA's funding came from local general revenues compared to less than 5% nationwide. In terms of operating budget, 15% of WMATA's budget came from local general revenues compared to only 8% nationwide.

Why are local general revenues NOT "stable and reliable?" In Maryland, the state pays Montgomery and Prince George's Counties' local share of the capital and

operating funding for WMATA through an annual grant via the Washington Suburban Transit Commission. Although these funds derive from the state's Transportation Trust Fund, a "stable and reliable" source, they must be annually appropriated by the General Assembly and are not guaranteed for WMATA, undermining "stable and reliable."

Furthermore, Maryland faces a transportation-funding crisis due to the transfer of \$300 million for FY 2004 and FY 2005 to cover shortfalls in the state general fund. Additionally, the mass transit portion of the property tax in Montgomery and Prince George's Counties, which at one time was dedicated to WMATA, was diverted to non-WMATA community bus service.

In Virginia, the five jurisdictions in the WMATA service area (Fairfax, Alexandria and Arlington Counties and the Cities of Fairfax and Falls Church) do have a dedicated tax to support WMATA: a 2% gasoline tax administered by the Northern Virginia Transportation Commission. The gas tax only comprises 13% of the WMATA funding from the five Virginia jurisdictions. Another 44% from the general revenue of these five jurisdictions and the remaining 43% from State of Virginia and from Federal funds not allocated directly to WMATA. Second, this 2% gas tax has not increased since 1987 despite inflation. In addition, the State of Virginia has not been meeting its own targets for transportation funding while construction costs and debt service have escalated.

In the District of Columbia, funding for WMATA comes from a general revenue source fed by a 20-cent tax on gasoline, parking meter fees, traffic fines, vehicle registration fees, and restaurant and hotel taxes. While this source is earmarked, it is not dedicated because it requires City Council authorization each year.

WMATA relies excessively on local general revenues compared to the nationwide norm, is lacking a truly "stable and reliable"

source of funding, and definitely needs a dedicated source of funding. WMATA's recurring financial struggles due to the need for a "stable and reliable" funding source have been documented as early as 1979 and reiterated again in 1983 by the General Accounting Office. WMATA must avoid the funding crises that crippled transit agencies in New York, Boston, and Philadelphia in the 1970s.

The Brookings Institution report concludes by offering for consideration six revenue sources that could be dedicated to funding WMATA:

- Gasoline Tax
- Sales Tax
- Tolls For Entering Congested Areas
- Parking Taxes
- Land Value Capture Taxes
- Payroll Taxes

Each revenue source has its advantages and disadvantages, and there is no reason why a "stable and reliable" source of funding for WMATA cannot be a blend of more than one type of source. Whatever form "stable and reliable" source of funding for WMATA takes, the passengers, businesses, commuters, and governments that rely on WMATA deserve better than what is in place now.

How Is Transit Paid For In Maryland?

Jim Clarke

Unlike the majority of states, Maryland has a Transportation Trust Fund (TTF) into which all revenue collected by the Maryland Department of Transportation (MDOT) plus a portion of the state's corporate tax flows. Unlike 33 states that limit the revenue raised from automobile fees to only road expenditures, money in Maryland's TTF may

be spent on any from of transportation: roads, transit, commuter rail, airports, bike and pedestrian paths or sea ports.

Also, unlike other areas that have transit, transit in Maryland has no dedicated source of funding. In most metropolitan areas that have transit a favored source of funding is a local sales tax.

Because the TTF funds transit, road advocates have, over the years, argued that transit should be removed from the TTF because the state is spending too much on transit and not enough on roads. Is this true?

Last year Governor Ehrlich appointed a commission to look at Maryland's transportation funding which was chaired by William Hellmann, a former state secretary of transportation. This commission became known as the Hellmann Commission.

What did the Hellmann Commission learn? The TTF is set up so that all money flows into "one pot". These funds are used to pay for both operating and capital expenses. They are not earmarked for a specific project or mode, thus making it difficult to answer the question, how much state funding goes to transit versus how much goes to highways.

In an attempt to answer this question an analysis of historical data was performed looking at the period from FY 1988 to FY 2002. This fifteen-year period had two revenue increases to the TTF, i.e. the gas tax was raised, and it included an economic peak and downturn. In this analysis federal funds were eliminated as well as any transfer into the TTF from the state's general funds.

Here are the results of this analysis:

- The total of state dollars spent on highways was \$6.6 billion while the total collected from the state's motor fuel tax was \$5.8 billion. Thus if every single dollar raised by the motor fuel tax had

been spent on roads there would have been a shortfall on the highway side of \$800 million. Thus none of the motor fuel tax was spent on transit.

- Federal Highway Administration statistics show that the majority of states fund their highway program with motor fuel taxes and auto registration fees. When this comparison was made for Maryland it showed that over time Maryland's highways have been paid for with the state's motor fuel tax and auto registration fees.
- How was mass transit funded? Over this 15-year period the state spent \$5 billion in state money on transit, mainly WMATA and the MTA in Baltimore. The next largest source of TTF revenue was the 5% "titling tax," which raised \$4.9 billion.
- From a survey of states surrounding Maryland it was found that in all of these states the automobile "titling tax" is considered just like a state sales tax on appliances or furniture and goes into the state's general fund. Since a general sales tax is the major source of funding for transit in these states, Maryland, like its neighboring states, can also be considered as a state that funds transit with its general tax revenue.

Though Maryland's TTF is not structured to have dedicated sources of funding for its highway and transit programs, the way Maryland collects and funds these two programs is consistent with national trends and what our neighboring states do.

But is the question, how do we pay for transit in Maryland the question we should be asking? In my opinion it's the wrong question. The question we should be asking is, how do we raise the money we need to build and maintain the transportation system we need in Maryland to serve the needs of all our citizens?

ACT Staff Person, Cindy Snow, Receives Awards

Quon Kwan

At the August 10th membership meeting Cindy Snow received two awards in honor of her 3 years serving as ACT's part-time staff person. Councilman Steve Silverman, who was also the evening's speaker, presented the first award on behalf of the Montgomery County Council - *In Recognition and Appreciation for her commitment and dedication to making Montgomery County a better place to live...* ACT President, Ben Ross, presented the second award from Delegate Herman Taylor (Dist. 14), who was unable to be at the meeting that evening - *In recognition of extraordinary dedication and skill in working to build public support for improved transit.* Say "congratulations" the next time you see Cindy.

Editorial Remarks

Your Transit Times editor is Quon Kwan. Cutoff date for receiving materials for the next publication is December 12. Send your materials to him at: siufung@erols.com or call him at: (h) 301-460-7454.

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