

Chapter 7. Funding

Significant changes have occurred in the funding of Twin Cities transit services over the last 10 years.

Funding sources have increased in absolute terms about 25% between 1994 and 2003. But there have been major variations in individual funding sources over this time.

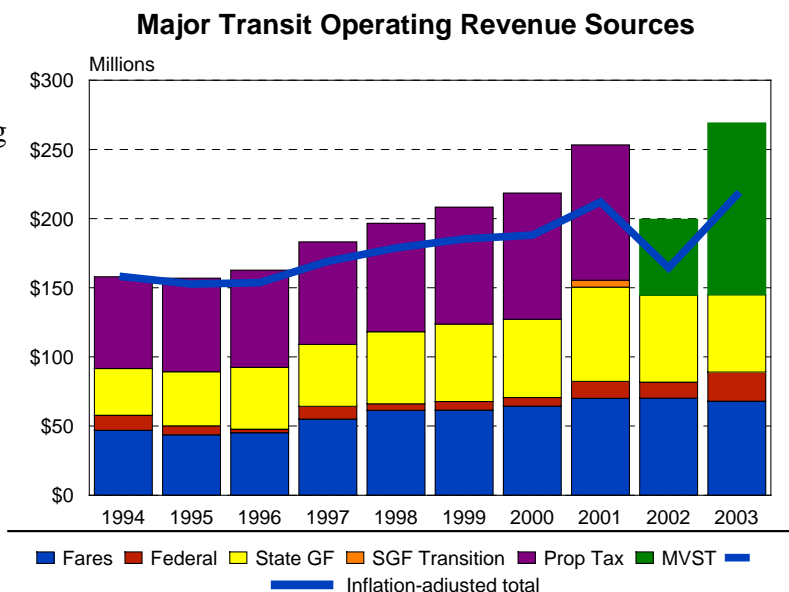


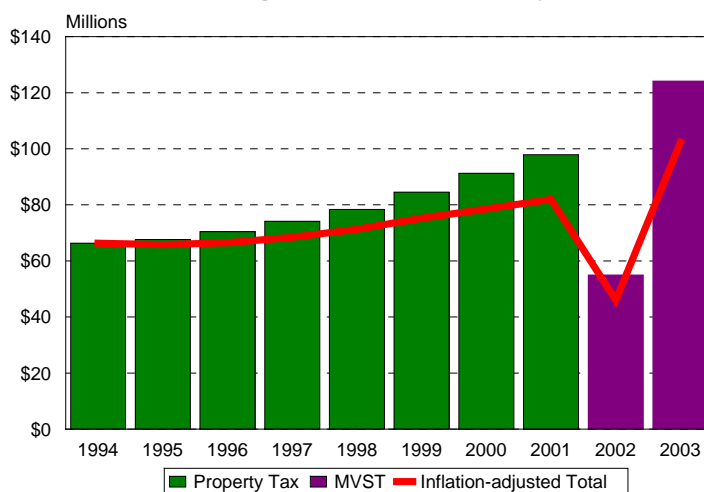
Table 8-1. Major Funding Sources for Transit

Year	Fares	Federal Grants	State General Fund	State General Fund Transition	Property Tax	MVET
1994	47,010,060	10,828,130	33,810,190		66,315,560	
1995	43,701,820	6,429,139	39,166,180		67,661,280	
1996	45,223,000	2,502,950	44,628,520		70,415,610	
1997	55,035,050	9,215,990	44,794,530		74,114,840	
1998	61,382,670	4,727,802	52,110,000		78,396,540	
1999	61,488,440	6,250,224	55,993,700		84,547,390	
2000	64,430,460	6,159,123	56,592,500		91,270,010	
2001	70,073,880	12,261,180	68,101,000	5,000,000	97,911,490	
2002	70,246,230	11,578,340	62,771,000			54,968,270
2003	68,043,630	21,039,960	55,893,000			124,178,900

Table Note: Fare revenues and federal grants include only funds earned or passed through the Metropolitan Council and exclude funds directly earned by Opt-Out services or Community-based programs. Table does not show all funding sources, only major funding sources.

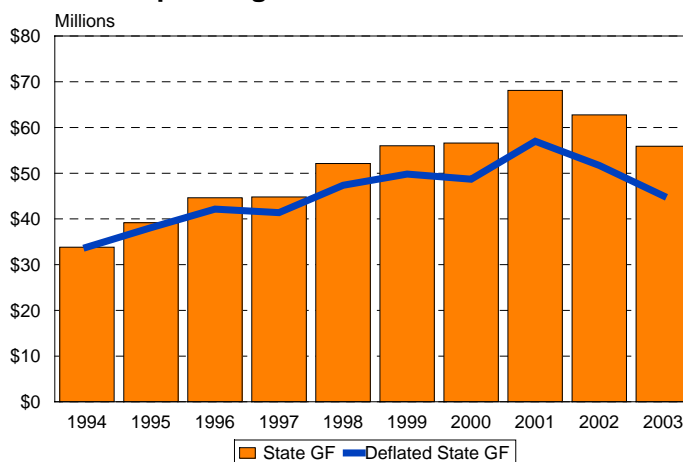
One major change in funding occurred in 2001, when the Legislature ended the use of property taxes for transit service and replaced it with the Motor Vehicle Sales Tax (MVST). Also, because the property tax was levied on a calendar-year basis and the MVST is allocated on the state July-to-June fiscal calendar year, there were six months in 2002 when funds from neither source were received. On an inflation-adjusted basis the property tax/MVST has been increasing over time in real dollars.

Transit Operating Revenues: Property Tax/MVST



As the property tax/MVST has been increasing, the second largest funding source, state General Fund appropriations, increased since 1993 both in absolute dollars and in inflation-adjusted dollars despite significant declines in the past two years.

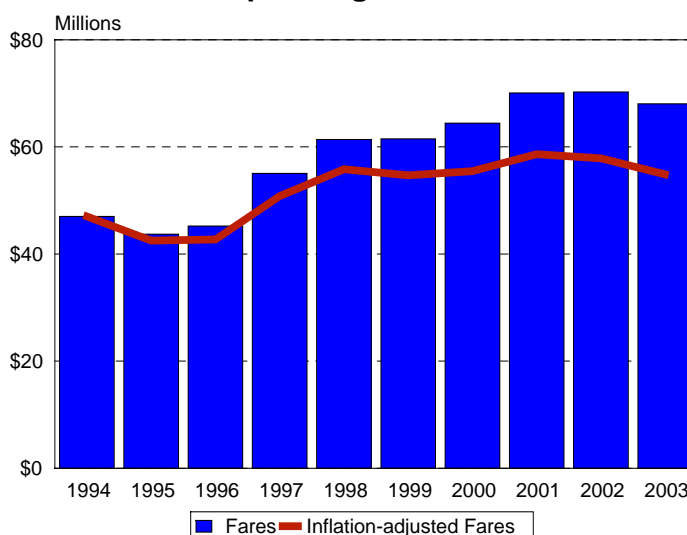
Transit Operating Revenues: State General Fund



Excludes \$5 M of transition funds in 2001

Fare revenues have remained relatively at the same levels since 1997 in terms of real dollars. This was achieved through periodic fare increases to keep up with inflation and to offset lost fare revenues that occurred when ridership declined due to the downturn in the economy and the effects of 9/11. Since 1994 there were fare adjustments in 1995, 1996, 2001, and 2003.

Transit Operating Revenues: Fares



	Regular Fares						Social Fares		
	Base	Express	Peak/ Express	Peak/ Express	Max Zone	Discount	Youth	Seniors	Limited Mob
1970	\$0.30	\$0.05	N/A	N/A	\$0.50	\$0.00	Free	Free	N/A
1975	\$0.30	\$0.05	N/A	N/A	\$0.25	\$0.00	\$0.10	Free	\$0.15
1976	\$0.30	\$0.10	N/A	N/A	\$0.20	\$0.00	\$0.10	Free	\$0.15
1977	\$0.30	\$0.10	N/A	N/A	\$0.25	\$0.00	\$0.10	Free	\$0.15
1979 (July)	\$0.40	\$0.10	N/A	N/A	\$0.25	\$0.00	\$0.10	Free/\$.10	\$0.15
1980 (April)	\$0.50	\$0.10	N/A	N/A	\$0.25	\$0.00	\$0.20	Free/\$.10	\$0.20
1981 (July)	\$0.60	\$0.10	N/A	N/A	\$0.40	\$0.00	\$0.20	\$0.10	\$0.20
1982	\$0.60	\$0.10	\$0.15	N/A	\$0.40	\$0.00	\$0.25	\$0.10	\$0.25
1989	\$0.50	\$0.25	\$0.25	N/A	\$0.25	\$0.00	\$0.25	\$0.10	\$0.25
1991	\$0.85	\$0.25	\$0.25	N/A	\$0.25	\$0.30	\$0.25	\$0.25	\$0.25
1993	\$0.85	\$0.25	\$0.25	N/A	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
1993	\$1.00	\$0.50	\$0.25	N/A	N/A	\$0.20	\$0.25	\$0.25	\$0.25
1995	\$1.00	\$0.50	\$0.25	N/A	N/A	\$0.15	\$0.50	\$0.50	\$0.50
1996	\$1.00	\$0.50	\$0.50	N/A	N/A	10%	\$0.50	\$0.50	\$0.50
2001 (July)	\$1.25	\$0.50	\$0.50	N/A	N/A	10%	\$0.50	\$0.50	\$0.50
2003 (August)	\$1.25	\$0.50	\$0.50	\$0.25	N/A	10%	\$0.50	\$0.50	\$0.50

