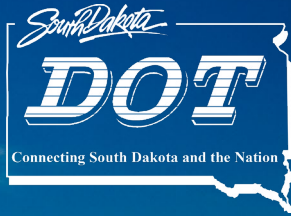




U.S. Department
of Transportation
**Federal Highway
Administration**



PUBLIC TRANSIT FUNDING GUIDE 2019

Many transit agencies in South Dakota and across the country have limited resources to fund public transportation services. Funding for transit comes from a variety of sources. This Guide is a living document and provides an overview of funding sources for public transportation agencies. The Guide must be updated annually when new funding sources become known with updated data.

This Funding Guide provides a list of available transportation funding (local, state, and federal).

The Federal Transit Administration (FTA) supports public transportation services, with the amount of assistance depending on the operating environment (urban or rural) and type of project (operating, planning, or capital). In every case, federal support only covers a portion of the cost. Transit agencies are required to raise the remaining funds through fares, state contributions, local contributions and other sources, such as partnership agreements, service contracts, advertisement revenues, etc.



FUNDING RESOURCES

The primary funding for public transportation comes from federal and state resources. Meeting the local match requirements for both rural and urban transit agencies often takes creative, unconventional funding resources to meet local match requirements, in addition to general fund revenues from counties and cities. Other common local match sources are from tax and fee generation.



Taxes: sales, use, property, cigarette, gas/fuel, corporate franchise, severance, hotel/motel, employer/ payroll, realty transfer, etc.



Fees: parking fees and fines, vehicle registration, utility fees, vehicle leasing and rental fees, mortgage recording fees, etc.



Revenues: tolls, advertising, concessions/rental income, casino/lottery revenues, etc.

For A
List Of Potential
Funding Sources For
Public Transportation
Services Or Projects From
State, Federal, And Local
Funds, Please Refer To
The Table On The
Next Page

COORDINATION CHAMPION

Public transit agencies must be out in front of the community, making a presence, looking for partnerships, and promoting the value of transit to businesses, the community, and political leaders. Successful rural transit agency coordination examples are shown below.

- **JAUNT – Charlottesville, VA** provides service to a 6-county area with multiple partners. The rural agency operates seven days per week with 85 vehicles. JAUNT provides commuter services, university students, human service contracts, paratransit contracts, general public, and many other services. <http://ridejaunt.org/>
- **TRAX – Texarkana, TX** is a rural provider for nine counties in northeast TX. TRAX provides demand response, fixed route, and commuter services and operates under the auspices of the Ark-Tex Council of Governments. The agency has evolved its primary funding sources from primarily Medicaid 15 years ago to public transit funding and a wide variety of agencies, local and county governments, and businesses, such as Walmart and local community college, Greyhound, and a local processing plant. <https://www.atcog.org/atcog/home/transportation-program/>
- **Hiawathaland Transit – Zumbrota, MN** – the nonprofit Three Rivers Community Action agency operates Hiawathaland Transit service for over 15 communities in southeast MN. Service hours and days vary depending upon service location. The flexibility of the agency services is one primary reason for success of the agency. <http://www.threeriverscap.org/transportation/hiawathaland-transit>

Potential Funding List for Public Transportation Services/Projects

TYPICAL FEDERAL AND STATE FUNDS

- 1 Homeland Security Grants
- 2 FAST Act Highways
- 3 Congestion Mitigation & Air Quality Program (CMAQ) - not in SD currently
- 4 Highway Safety Improvement Program (HSIP)
- 5 Intelligent Transportation Systems Research & Dev
- 6 Projects of National & Regional Significance (earmarks)
- 7 Surface Transportation Program (STP) Regional share (RSTP)
- 8 FAST Act Transit
- 9 Section 5307 - Urbanized Area Formula Grants
- 10 Section 5309 New Starts and Core Capacity
- 11 Section 5309 Small Starts
- 12 Section 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities
- 13 Section 5311 - Formula Grants for Rural Areas
- 14 Section 5337 - State of Good Repair
- 15 Section 5339 - Bus & Bus Facilities / Low Emission
- 16 Section 5340 - Growing States & High Density Formula
- 17 Better Utilizing Investments to Leverage Development (BUILD - formerly TIGER)
- 18 Federal Lands Transportation Program
- 19 National Highway Performance Program
- 20 US Department of Agriculture
- 21 Transitional Assistance for Needy Families (TANF)
- 22 Vocational Rehabilitation/Veterans Affairs
- 23 Mobility on Demand Sandbox Demonstration - 5312
- 24 Dept of Social Services / Aging / Title IIIB Programs
- 25 Department of Labor / Workforce Investment Act: Adult/Youth
- 26 Medicaid
- 27 Tribal Transit Funding
- 28 US Department of Housing and Urban Development
- 29 Integrated Mobility Innovation
- 30 State Highway Funds

- 31 State Transit Assistance - General Funds
 - 32 Department of Health and Human Services
 - 33 Safe Routes to School
- ### TYPICAL LOCAL FUNDS
- 34 South Dakota Community Foundation
 - 35 Higher Education General Funds/Student Fees
 - 36 Fares
 - 37 Contracts
 - 38 United Way
 - 39 Lease Revenues
 - 40 City/County General Fund
 - 41 Donations
 - 42 Employer contributions
 - 43 Fundraising
 - 44 Bonds / Leasing
- ### OTHER FUNDING PROGRAMS
- 45 Human Trafficking Awareness and Public Safety Initiative
 - 46 Transportation Alternatives Program
 - 47 Casino Revenue Tax
 - 48 Sales Tax
 - 49 Cigarette/Alcohol Tax
 - 50 Lottery Proceeds
 - 51 Rental Car Tax
 - 52 Vehicle Registration Fees/License Fee
 - 53 Wheel Tax
 - 54 Real-Estate Transfer Tax
 - 55 Property Tax
 - 56 Development Impact Fees
 - 57 Storm Water Fees
 - 58 Parking Fees/Tax
 - 59 Advertising
 - 60 Local Sales Tax
 - 61 Hotel/Motel Tax
 - 62 Special Assessment Districts
 - 63 Utility Levy

**Appendix B of Final Report provides additional information for funding programs within table.



FUNDING GUIDANCE CHECKLIST

The following checklist provides guidance for your transit agency to consider when researching funding sources for public transportation.

Have a short-term and long-term transit plan and vision. Where does your agency want to be in 5 years and 10 years? How do we get there? What resources do we need? Does the community support this vision?

Know true costs of your transit service today and for the future. This information provides actual costs for any expansions or modifications for service requests and interested partnerships.

Develop a community outreach plan annually to promote public transportation. The plan should include all audiences, from elected officials to neighborhood groups to elementary children, with the purpose of showcasing and educating the community about transit services. Assign roles and responsibilities for accountability and determine the 'Voice or Champion' of Transit for your agency. Develop materials appropriate to each audience, including existing services, costs, funding partners, coordination opportunities, etc.

After outreach efforts, continuously contact businesses, organizations, and agencies about services, potential coordination, funding availability at least once per year.

Review outreach efforts annually to adjust goals to meet the agency's vision.

REPEAT.

RESEARCH STUDIES

Transit agency coordination with organizations and businesses is key to applying for project grants and winning. Support from multiple agencies and from adopted local and regional plans shows community support for the project. Specific research studies published regarding transit funding are listed below for further information.

- [Thinking Outside the Farebox](#)
- [Survey of State Funding for Public Transportation – Final Report](#)
- [On Track, How States Fund and Support Public Transportation](#)
- [TCRP Local and Regional Funding Mechanisms for Public Transportation – Report 129](#)
- [Local Funding Options for Public Transportation, Victoria Transport Policy Institute](#)
- [TCRP Synthesis 94 – Innovative Rural Transit Service](#)
- [Why and How to Fund Public Transportation](#)

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