



To: Senate Transportation Committee
From: Jon Moore, GMT General Manager
Bonnie Waninger, GMT Board Chair
Date: March 25, 2022
RE: Service Reductions and Zero-Fare Transit Service

Green Mountain Transit (GMT) provides public transportation services in northwest Vermont including Chittenden, Washington, Franklin, Grand Isle and parts of Orange and Lamoille Counties. GMT is the largest transit provider in the state. It provided 1.4 million passenger rides in FY2021 (a 50% decrease from FY19).

Proposed Service Reductions: GMT has been facing a service reduction cliff for at least 10 years. It has delayed significant reductions by achieving efficiencies, using reserve funds, redesigning services or transferring them to other transit providers, and working with VTrans. Pandemic funding provided additional temporary relief.

GMT implemented service reductions in June 2020 to balance its budget. Based on the need to provide social distancing during COVID-19 GMT increased the number of buses operated on the two busiest routes (Williston and Essex) in the urban system in February 2021 limiting the cost savings from the original service reductions.

To balance the FY23 operating budget GMT is proposing to reduce 6,200 annual service hours. This is a 4.6% reduction of GMT's total urban service operated. The service changes include:

- Reduction from 20-minute frequencies to 30-minute frequencies on the North Avenue and Shelburne routes during the AM & PM peak commuting times.
- Reduction of four (4) daily Montpelier LINK trips.

The estimated cost savings is \$250,000.

GMT has ample (\$6M) unbudgeted federal funds available to continue service for FY23. It does not have the non-federal match to be able to draw these funds down.

GMT expects significant FY23 cost pressures from wages, insurance, and fuel, along with the general inflationary impacts that all businesses are experiencing. The total FY23 urban budgeted expense increase for wages, insurance and fuel is \$290,000. If fuel remains at \$4/gallon GMT will experience an additional \$405,000 in unbudgeted fuel expenses.



Local match for transit primarily consists of VTrans' contribution of state operating funds, municipal and business contributions, and passenger fares. While we do have CRF budgeted in FY23 we are expecting to receive \$1.1M less in state operating funding from pre-pandemic levels which reduces our ability to leverage those funds. Additionally, GMT is projecting to collect \$600,000 less in passenger fares in FY23 compared to pre-pandemic amounts. We requested a 4% increase (\$121,000) from our local municipal members to offset these reductions.

GMT has faced increasing budget pressures for more than 10 years. It has avoided significant service cuts by achieving efficiencies, using reserve funds, redesigning services or transferring services to other transit providers, and working with VTrans. Based on GMT's expected cost pressures and revenues ~~the proposed~~ service reductions are required to balance the FY23 budget.

H.736 Zero-Fare Transit: GMT strongly supports the statewide zero-fare service language in H.736 as unanimously supported by the House Transportation Committee. While there is standalone value in GMT continuing zero-fare service in Chittenden County, the funding as included in H.736 also would allow GMT to leverage its existing and available federal funds **to continue zero-fare service while minimizing, if not avoiding, service reductions in FY23.**

Transit Financing Study: As proposed in H.739, zero fare service can help GMT ~~can~~ minimize or avoid service reductions temporarily. It will not be a permanent solution to the underlying lack of sustainability in Vermont's current transit funding model. As noted, the biggest limiting factor for GMT to sustain public transportation services are a lack of non-federal matching funds to meet ~~our~~ cost growth, especially with the current inflationary factors. Federal transit funds generally require a 50% match for operating expenses and with the over reliance on local property taxes it is a challenge for local communities to provide the non-federal match to sustain existing public transit services.

Transit is a statewide transportation service. GMT strongly supports a statewide, non-federal funding source be identified as included in the CCRPC's Transit Financing Study that can be found [here](#). GMT sees this as the most sustainable path forward to provide high quality transit services to help meet the state's climate goals, increase social equity and spur economic development.