



To: Senate Committee on Transportation

CC: House Committee on Transportation

Senator Jane Kitchel, Senate Committee on Appropriations Transportation Assignee

Representative Patrick Brennan, House Committee on Appropriations Transportation Assignee

From: Clayton Clark, General Manager

Date: March 27, 2023

Regarding: GMT Support for H.479 as Introduced

Legislative Request:

Green Mountain Transit requests that the Senate Transportation Committee support the Transportation Bill as introduced by the House Transportation Committee (HTC) in regard to public transportation. This includes:

- A \$1M appropriation to extend zero fare service in Chittenden County to January 1, 2024.
- The development of a tiered fare plan, subject to HTC review, that would seek to reduce financial barriers to public transit to vulnerable populations.
- Identifying a dedicated funding source for public transit local match.

Legislative Background:

GMT worked with the HTC to develop a plan to return to fare service in Chittenden County on January 1, 2024. GMT requested this six-month delay to the resumption of fare service so we could make infrastructure improvements that would significantly improve payment options and collaborate with the public and partners on the return to fare service. HTC included a requirement that GMT will work with community partners to expand discounted fare service for vulnerable populations, which we support. The extension of zero-fare service would be paid for with a \$1M appropriation.

Background on Zero-Fares: Infection Control Drove Decision

GMT has a long history of collecting fares to partially fund service. This practice was suspended at the beginning of the pandemic to limit contact between drivers and riders. By introducing zero-fares, riders could enter buses through the rear door, which was an infection control best practice. We

have continued zero-fare service thanks to federal pandemic relief funds and through past state legislative action.

Background on GMT FY24 Budget Reintroducing Fares in Urban Areas

GMT's FY24 budget was approved on January 17, 2023, by our Board of Commissioners. The FY24 budget forecasts \$2.0 Million in revenue generated from fares in our urban service zone.

The GMT board broadly supports zero-fare service. So why did they pass a budget that reintroduced fares? The board voted to reintroduce fares because they prioritized the retention of service over an extension of zero-fare. The cost of providing our current level of service is more than we generate in normal revenue. We also anticipate this gap will grow because of extreme inflationary labor pressures, especially in light of our collective bargaining agreements expiring in June 2024. We believe providing the same level of service in FY25 and beyond will require significantly more revenue. Reintroducing fares will not fill our budgetary gap, but we need an all of the above approach to revenue to delay going over the financial cliff that would require cuts in service.

Farebox Infrastructure Prevents Reintroducing Fares on July 1, 2023

Approximately 40% of existing fareboxes were discontinued for support by the manufacturer while GMT operated with zero-fares. The GMT Board of Commissioners has approved the purchase of additional fareboxes that would solve this problem, but the procurement, installation, and training will not be completed until this fall.

Collaborative Work on "Fair Fares" will Also Extend Past July 1, 2023

GMT supports a re-evaluation of our fare system, to include who should receive discounted service, which is why we welcomed HTC's requirement to develop a tiered fare plan. We have already begun work with local service partners to identify populations to assist and the mechanisms for how this discount will be implemented, but this work will also continue into this fall.

Reintroduction of Fares on Ridership

The obvious downside of reintroducing fares is a reduction in riders. The impact of ending zero-fares in urban service areas was examined in the [Report on Impacts of Zero-Fare Transit Service in State Fiscal Year 2024](#) submitted to the two Committees on Transportation in January 2023. The report projects returning to fares will result in a reduction of 340,000 rides in FY24, 16% below the projected ridership if zero-fare is continued. This is a major concern of GMT. Our hope is that with "Fair Fares" and robust public education we will not see such a large decrease in ridership.

Direct Federal Apportionment May be Impacted by Ridership

The biggest risk of returning to fare service is that the reduction in ridership results in a reduction in our federal revenue. Our Federal Fiscal Year 2023 direct apportionment is \$4,348,526. FTA uses Small Transit Intensive City (STIC) factors to augment apportionments, essentially rewarding agencies that perform well against the public transit average for similarly sized operations. There are 6 STIC factors, and for this fiscal year each one comes with an additional \$550,406 in funding. We received 4 STIC factors this year, which generates \$2.2M in additional federal revenue, more than half our direct apportionment. If the reduction in ridership decreases GMT's performance to under national averages, we could lose STIC factors.

No Need for Capital Appropriation to Return to Fare Service

At this time we do not anticipate the need for Legislative action to support our capital purchases.

Labor Scarcity a Huge Factor for All GMT Considerations

If you see a GMT bus in Chittenden County, there is a roughly 1 in 3 chance the route is operated by a driver on overtime. Regrettably, much of that is also forced overtime. Also regrettably, we are dropping runs due to lack of driver availability. And even more regrettably, our staffing for mechanics is worse.

This is not how we want to operate GMT. The undersupply of drivers and mechanics is felt across the state, and GMT's aging workforce will exacerbate this in the coming years. Regardless of what financial resources come our way, GMT's biggest challenge will likely be finding the people to maintain services as they currently exist.

As you would expect, both drivers and mechanics strongly support zero-fare operations. Drivers appreciate the improved speed of route service and fewer conflicts with passengers. Mechanics appreciate not having to maintain fareboxes, which will take a full FTE maintain. Part of our work with implementation will be to restart this service in a way that limits the impact on staff as much as possible. We are hopeful that increased cash-free options will speed up service, limit conflicts, and limit maintenance (the parts accepting bills and coins are the most high maintenance).