

Transit Financial Analysis

final

report

prepared for

Space Coast Transportation Planning Organization

prepared by

Cambridge Systematics, Inc.

final report

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Executive Summary

BACKGROUND

Space Coast Area Transit (SCAT), as many other small transit agencies in the state of Florida, rely heavily on county general revenues obtained from property taxes and fuel taxes to provide local operating assistance. Unfortunately, these two sources of funding have been severely impacted by Florida's current weak economic situation since 2006. As a result of the decreases in these two revenue streams, SCAT and many other transit agencies across the state are facing extraordinary challenges to fund their operational expenses in the short term horizon.

Brevard County's Space Coast Transportation Planning Organization (SCTPO), in its efforts to anticipate an imminent situation in which SCAT's transit operating expenditures will exceed its revenues, initiated a study to research and evaluate options in both funding and expenditures with the objective of correcting the equilibrium before a deficit occurs. The Transit Financial Analysis is intended to research both new funding options for the short and medium-term and assess operating costs to identify possible savings.

In accordance with the direction of the SCTPO, the Study efforts were conducted in two phases. This effort is the result of the first phase covering four main tasks: revenue forecasts review and verification of federal and state funds projections, peer system comparison, research of alternative funding sources, and short-term funding recommendations. The full report, the Transit Financial Analysis, dated February 2010, summarizes the findings and recommendations with respect to each of these tasks, as well as the research supporting such recommendations. For purposes of the Study, research was conducted on 16 peer transit agencies within the state and a comprehensive list of funding options to make recommendations for the scenarios presented for SCAT.

SUMMARY OF STUDY FINDINGS

During the course of the Study, some key findings emerged.

SCAT Financial Review

- Operating revenues vary largely year to year due to economic indicators and changes in funding levels from federal, state, and local programs and contributions.
- SCAT's ten year budget paints an alarming financial picture for the transit agency. Given the projections, SCAT's expenditures will exceed the expected

revenues, and will require additional funding sources by FY 2011 when a deficit of \$110,118 is expected.

- SCAT does not have the ability to carry forward the complete amount of surplus for the following fiscal year.

Peer Systems Analysis

- Most of SCAT peer systems face similar operating funding challenges.
- Even those peers with dedicated transit funding, mainly from ad valorem taxes, are facing revenue shortfalls to cover operating expenses.
- Some peer transit systems receive revenues from local municipalities and private entities.
- Share of local funding received by SCAT is among the least when compared to its peer systems.

Alternative Funding Options

- Federal, state and local funding options identified are limited or already used by SCAT.
- A comprehensive list of potential financing options was identified based on state and national case studies, but these are more long-term solutions.
- SCAT finances will greatly benefit with the ability to roll over 100 percent of its operating surpluses.

Funding and Operating Scenarios

- Six different funding and operating scenarios were developed to determine how SCAT could potentially balance its finances.
 - Scenario 1: Increase Farebox Revenue
 - Scenario 2: Cut Service Hours
 - Scenario 3: Increase Farebox Revenue and Cut Service Hours
 - Scenario 4: Increase Level of Municipal Contributions
 - Scenario 5: Increase Level of Local Operating Assistance
 - Scenario 6: Levy Local Option Sales Tax
 - Scenario 7: Levy Local Option Fuel Tax
- Multiple farebox increases or service cuts would be needed to balance SCAT finances.
- Municipal contributions represent an additional funding source.
- Brevard County could increase its level of local operating assistance or levy a local option fuel or sales tax.

SHORT TERM FUNDING RECOMMENDATIONS

The key findings summarized above highlight SCAT's pressing need to identify a short-term funding solution in order to be able to balance its budget in the next ten years. During these tough economic times, the situation does not present itself for SCAT to consider cutting necessary transit services to the most vulnerable part of Brevard County's communities who rely on SCAT transit services to access their employment. Likewise, raising fares on SCAT's fixed-route users at this time would be a difficult choice given the most vulnerable transit riders would be the most impacted.

Increasing farebox revenue, cutting service hours and a combination of the two presented in Scenarios 1, 2 and 3 do not reflect more realistic revenue decreases that will likely occur from SCAT's riders decreased demand due to loss of service that reduces the value of the transit network in the projected ten-year period.

In addition, Brevard County's tax revenue streams are shrinking. Currently, the majority of municipalities served by SCAT do not contribute financially to cover SCAT's operational expenses for the service provided in their cities. During this tough economic climate it may be difficult to ask the city governments to allocate money for SCAT operations (Scenario 4). Also, at the same time, based on current levels of funding, it would also be very difficult for Brevard County government to contribute additional local funds to SCAT while they are cutting other government services currently benefiting their citizens (Scenario 5).

Previous unsuccessful attempts to levy a discretionary sales surtax in Brevard County indicate there is little appetite among Brevard County voters to increase the discretionary sales surtax to cover transit operational expenses (Scenario 6). The other short-term funding option available is for Brevard County to levy the Ninth-Cent Fuel Tax (Scenario 7), which adds a penny to the gallon of motor fuel, after a super majority vote of the County Commissioners or voter approval in a countywide referendum. SCAT operating shortfall would be erased and Brevard County would have additional monies for other transportation projects and investments if this tax is levied.

It is recommended that Brevard County levy the Ninth-Cent Fuel Tax in the upcoming months and dedicate half of its revenue to SCAT. This will generate enough revenue to cover SCAT's operational expenses in the next ten years. Otherwise, SCAT will be forced to identify ways of reducing operating expenses through service cuts and/or fare increases that will reduce the level of transit service it currently provides to the residents and visitors of Brevard County.

1.0 Introduction

Space Coast Area Transit (SCAT), as many other small transit agencies in the state of Florida, rely heavily on county general revenues obtained from property taxes and fuel taxes to provide local operating assistance. Unfortunately, these two sources of funding have been severely impacted by Florida's current weak economic situation since 2006. As a result of the decreases in these two revenue streams, SCAT and many other transit agencies across the state are facing extraordinary challenges to fund their operational expenses in the short term horizon.

1.1 STUDY OBJECTIVE

Brevard County's Space Coast Transportation Planning Organization (SCTPO), in its efforts to anticipate an imminent situation in which SCAT's transit operating expenditures will exceed its revenues, initiated a study to research and evaluate options in both funding and expenditures with the objective of correcting the equilibrium before a deficit occurs. The Transit Financial Study is intended to research both new funding options for the short and medium-term and assess operating costs to identify possible savings.

The SCTPO is conducting this study effort in two phases:

- **Phase 1** reviewed revenue and expense estimates in the short term (two years), verified the timing and extent of funding shortfalls, defined measures and reviewed expenses related to operations, and identified possible measures to address shortfalls including obtaining access to additional funds.
- **Phase 2** will identify longer-term solutions to the forecast funding shortfalls, including identification of dedicated local transit funding sources, and possible service adjustments reflective of available operating revenues.

This document reports the work performed to complete Phase 1 of the Transit Financial Study.

1.2 STUDY APPROACH

The SCTPO Transit Financial Study consisted of four specific tasks. These tasks encompass the key activities completed to conduct Phase 1 of this study. Each of the tasks is briefly described below and corresponds to a section in this report.

- **Task 1 - Review SCAT Revenue Forecasts and Verify Federal and State Funds Projections.** The objectives of this task were to review and update the SCTPO financial analysis or ten-year budget projection conducted as part of the SCAT Transit Development Plan Update 2009-2018, to verify and update

the current estimates of federal and state funding programs anticipated by SCAT, and to clarify the period when an operating deficit is expected to occur. The work completed during this task is summarized in **Section 2.0 - SCAT Financial Review**.

- **Task 2 - Conduct Peer System Comparison.** The objectives of this task were to identify the peer transit systems in Florida with similar conditions and populations to Brevard County and review their funding sources, to compare the peer systems capital and operating funding sources with SCAT's funding picture, and to identify and analyze the funding assistance these peers receive from local jurisdictions. Work completed in this task is summarized in **Section 3.0 - Peer Systems Analysis**.
- **Task 3 - Identify Alternative Funding Sources.** The objective of this task was to research alternative funding sources that could be applied to SCAT operations in the short term. This included non transit-operating funds like transit capital funds or highway, intermodal or other funds were allowed, funding assistance from local governments and jurisdictions like municipalities, universities and other private entities, and other statewide and national alternative funding sources. In addition, different scenario assumptions were developed to estimate the impact of some of these alternative funding sources in SCAT operating budget. Work completed in this task is summarized in **Section 4.0 - Alternative Funding Sources**.
- **Task 4 - Recommend Additional Short-Term Funding Sources.** The objective of this task is to make recommendations on preferred short-term solutions to balance funding shortfalls for Brevard County and SCAT. These recommendations are summarized in **Section 5.0 - Key Findings and Short-Term Funding Recommendations**.

2.0 SCAT Financial Review

Space Coast Area Transit (SCAT), like many other transit agencies in Florida, is anticipating the imminent situation in which its transit operating expenditures will exceed available revenues. SCAT's latest financial analysis conducted as part of the FY 2009 Update to the 2009-2018 Transit Development Plan (TDP) identified funding shortfalls starting as early as FY 2010 and as late as FY 2012 under three different fuel price scenarios. In the light of most current Florida and Brevard County revenue forecasts, SCAT's ten year budget projections included in the 2009-2018 TDP Update were reviewed. SCAT's FY 2010 Budget approved on September 22, 2009 and SCTPO Transportation Improvement Program (TIP) FY 2009/10 - 2013/14 adopted in November were reviewed to verify the current estimates of state grants, federal grants and county revenues and to update the FY 2009 budget projections with the approved FY 2010 budget. The purpose of this chapter is to clarify the period when an operating deficit is expected to occur based on the most recent financial data available.

2.1 FY 2010 BUDGET

When SCAT prepared its FY 2009 budget in October 2008 the average price of fuel in Florida was approximately \$3.30 per gallon.¹ One year later, the average gas price had dropped to approximately \$2.44 per gallon. Reduction in fuel prices resulted in lower operations and maintenance expenses in SCAT's FY 2010 approved budget when compared to the FY 2009 budget as shown in **Table 2.1**.

The operating challenge faced by SCAT is illustrated in the total operating revenues available in FY 2010. Total operating revenues available in FY 2010 are less than those available in FY 2009. Although farebox revenue is expected to increase to \$649,125 in FY 2010 from \$409,125 in FY 2009, some of FDOT's grant programs have reduced their funding levels or the funding expired in FY 2009. The Commuter Assistance Program reduced its funding in FY 2010 to \$75,000 from \$175,000 in FY 2009. Funding for two FDOT Transit Demonstration Services, the Weekend bus service and the Extended Evening bus service, was lost in FY 2010. However, two federal revenue programs, the Job Access and Reverse Commute (JARC) and New Freedom Program totaling \$463,555 were granted to SCAT in FY 2010.

In addition to the changes in funding levels at the state and federal level, local contributions to SCAT are less than in FY 2009. SCAT, as many other county-operated transit agencies in Florida, relies primarily on county general revenues

¹ Based on the average price of a gallon of regular fuel.
www.fuelgaugereport.com/FLavg.asp. Accessed October 13, 2009.

to obtain its local operating assistance. These local revenues have been negatively affected by Florida's weak economy. **Table 2.1** shows that the local operating assistance from Brevard County government decreased from \$2.1 million in FY 2009 to \$1.6 million in FY 2010. This decreasing trend in county operating assistance is expected to continue in the short- to mid-term until the economy recuperates and property and gas tax revenues collected in the county stabilize.

Table 2.1 SCAT Operational Budget Comparison (FY 2009 vs FY 2010)

SCAT OPERATING BUDGET	FY 2009	FY 2010
EXPENSES		
Labor and Fringe	\$5,149,997	\$4,859,763
Operations and Maintenance	\$2,023,803	\$1,953,916
TOTAL OPERATING EXPENSES	\$7,173,800	\$6,813,679
REVENUES		
Farebox	\$409,125	\$649,125
Special Fares	\$398,388	\$324,388
Medicaid Waiver	\$180,000	\$144,000
Miscellaneous Revenue	\$0	\$91,250
Local Operating Assistance	\$2,127,718	\$1,569,978
Balance Forward	\$528,000	\$216,421
FDOT Block Grant	\$1,220,455	\$1,253,997
FDOT Commuter Assistance Grant	\$175,000	\$75,000
FDOT A1A	\$350,000	\$350,000
FDOT 520 Corridor	\$350,000	\$350,000
FDOT Weekend bus service	\$91,000	\$0
FDOT Extended evening bus service	\$169,274	\$0
FDOT Minutemen Causeway	\$0	\$63,112
TDC-TD Trip and equipment Grant	\$1,192,064	\$1,033,162
TDC-TD Planning Grant	\$28,297	\$28,280
Federal Job Access Reverse Commute	\$0	\$260,274
Federal Operating Assistance	\$250,000	\$300,000
Federal New Freedom Program	\$0	\$203,281
TOTAL OPERATING REVENUES	\$7,469,321	\$6,912,268

Source: SCAT

Table 2.2 shows that SCAT's capital expenses in FY 2010 are budgeted to be higher than in FY 2009. In FY 2010, capital expenses are \$15.8 million compared to \$8.5 million in FY 2009 because SCAT is programmed to receive \$6.9 million in stimulus funding on top of additional federal capital assistance funds in FY 2010. Given that the stimulus funds have to be spent by September 30, 2010 in

capital investments, all the stimulus revenue is budgeted to be expended in FY 2010.²

Table 2.2 SCAT Capital Budget Comparison (FY 2009 vs. FY 2010)

SCAT CAPITAL BUDGET	FY 2009	FY 2010
EXPENSES		
Capital Expenses	\$8,548,243	\$15,769,515
TOTAL CAPITAL EXPENSES	\$8,548,243	\$15,769,515
REVENUES		
Federal Capital Assistance	\$8,831,050	\$15,670,926
TOTAL CAPITAL REVENUES	\$8,831,050	\$15,670,926

Source: SCAT

Table 2.3 summarizes SCAT’s operating and capital budget in FY 2009 and FY 2010. Although the FY 2010 Budget is balanced, SCAT’s ten year budget projections described in the next section indicate SCAT will have difficulty funding the current level of services beginning next fiscal year.

Table 2.3 SCAT Total Budget Comparison (FY 2009 vs FY 2010)

SCAT TOTAL BUDGET	FY 2009	FY 2010
Operating Revenues	\$7,469,321	\$6,912,268
Capital Revenues	\$8,831,050	\$15,670,926
TOTAL SCAT REVENUES	\$16,300,371	\$22,583,194
Operating Expenses	\$7,173,800	\$6,813,679
Capital Expenses	\$8,548,243	\$15,769,515
TOTAL SCAT EXPENSES	\$15,722,043	\$22,583,194
TOTAL SURPLUS/DEFICIT	\$578,328	\$0

Source: SCAT

2.2 TEN YEAR PROJECTED BUDGET

The ten year projected budget for SCAT based on current service levels and current fuel costs for FY 2010 is shown in **Table 2.4**. Beginning next Fiscal Year, SCAT is expecting a deficit starting at \$108,118 and expected to grow to \$1,176,881 by FY 2019 (as shown in **Figure 2.1**). Therefore, it will not have enough revenue to continue operating the transit system at current service levels unless SCAT taps into new funding sources.

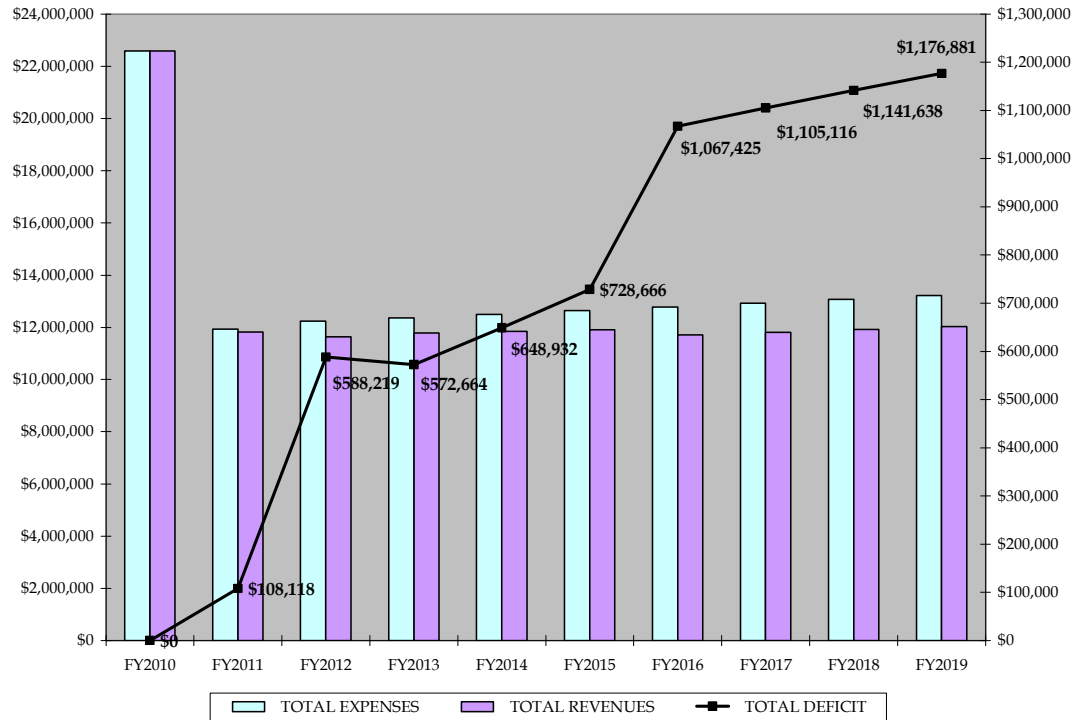
² “FTA’s expectation is that grantees will spend American Recovery and Reinvestment Act (ARRA) funds quickly for ready to go projects that stimulate the economy, rather than banking them for future needs.” http://www.fta.dot.gov/index_9440_10006.html accessed October 13, 2009.

Table 2.4 Ten Year Projected Budget for SCAT (FY 2010 – FY 2019)

SCAT BUDGET	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
EXPENSES										
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575
Farebox	\$649,125	\$681,581	\$715,660	\$751,443	\$789,015	\$828,466	\$869,890	\$913,384	\$959,053	\$1,007,006
Special Fares	\$324,388	\$325,000	\$331,500	\$338,130	\$344,893	\$351,790	\$358,826	\$366,003	\$373,323	\$380,789
Medicaid Waiver	\$144,000	\$146,880	\$149,818	\$152,814	\$155,870	\$158,988	\$162,167	\$165,411	\$168,719	\$172,093
Miscellaneous Revenue	\$91,250	\$91,250	\$91,250	\$91,250	\$91,250	\$91,250	\$91,250	\$91,250	\$91,250	\$91,250
Local Operating Assistance	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,978	\$1,569,979
Balance Forward	\$216,421	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FDOT Block Grant	\$1,253,997	\$1,288,449	\$1,314,601	\$1,393,457	\$1,393,457	\$1,393,457	\$1,435,261	\$1,478,319	\$1,522,668	\$1,568,348
FDOT Commuter Assistance Grant	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
FDOT A1A	\$350,000	\$350,000	\$159,666	\$150,000	\$150,000	\$150,000	\$0	\$0	\$0	\$0
FDOT 520 Corridor	\$350,000	\$350,000	\$159,666	\$150,000	\$150,000	\$150,000	\$0	\$0	\$0	\$0
FDOT Minutemen Causeway	\$63,112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TDC-TD Trip and Equipment Grant	\$1,033,162	\$1,037,679	\$1,059,975	\$1,095,669	\$1,099,417	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
TDC-TD Planning Grant	\$28,280	\$28,280	\$28,280	\$28,280	\$28,280	\$28,280	\$28,280	\$28,280	\$28,280	\$28,280
Federal Job Access Reverse Commute	\$260,274	\$260,274	\$197,406	\$203,328	\$209,428	\$215,711	\$222,182	\$228,848	\$235,713	\$242,784
Federal Operating Assistance	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653	\$347,782	\$358,216	\$368,962	\$380,031	\$391,432
Federal New Freedom Program	\$203,281	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671
Sub-Total Operating Revenues	\$6,912,268	\$6,553,371	\$6,212,270	\$6,369,604	\$6,437,950	\$6,505,723	\$6,317,421	\$6,433,196	\$6,553,210	\$6,677,633
Federal Capital Assistance	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
Sub-Total Capital Revenues	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,826,404	\$11,643,493	\$11,791,278	\$11,849,790	\$11,907,434	\$11,708,698	\$11,813,727	\$11,922,672	\$12,035,694
TOTAL OPERATING REVENUES	\$0	-\$108,118	-\$588,219	-\$572,664	-\$648,932	-\$728,666	-\$1,067,425	-\$1,105,116	-\$1,141,638	-\$1,176,881

Source: SCAT Ten Year Budget Projections (based on current service levels and current fuel costs for FY 2010)

Figure 2.1 SCAT Projected Expenses vs Revenues (Expected Deficit)



The ten year budget projection assumes local operating assistance will remain constant at \$1.6 million in the next ten years as well as Miscellaneous Revenue (e.g. advertising, interest earned, sale of surplus, etc.) and the Transportation Disadvantage Commission (TDC) Planning Grant. The revenue loss of the FDOT Corridor Programs (A1A and SR 520 Corridor) by FY 2016 and the reduction in the New Freedom Program funding starting next fiscal year is expected to create a funding gap that will grow to about \$1.2 million by FY 2019. These projections are based on current fuel costs. Increases in fuel prices will exacerbate the funding shortfalls presented in **Table 2.4** and **Figure 2.1**. Given SCAT's ten-year budget projections estimate SCAT's expenditures will exceed the expected revenues, there is no surplus to carry forward to offset SCAT's operational expenditures and the need of additional revenue sources starting FY 2011. When SCAT ends up the year with a surplus, SCAT has to negotiate with the County during the budget process the amount of surplus it can carry forward. In FY 2009, SCAT surplus or Balance Forward was \$578,328 of which only \$216,421 SCAT was allowed to keep for FY 2010. Therefore, keeping as much balance forward as possible will help offset the projected ten-year budget deficit.

In summary, SCAT's ten year budget projections paint an alarming financial picture for the transit agency. Beginning next Fiscal Year, SCAT will not have enough revenues to cover its operational expenses as shown earlier. Conservative growth rates were used due to the current condition of the

national, state and local economies which drive funding rates at all levels of government. It is highly unlikely that the local operating assistance SCAT currently enjoys (mainly from Brevard County's contributions to SCAT) will increase in the coming years. SCAT's source of local funding is not enough to continue operating the transit system at the same service levels in the future. New sources of operating funding must be identified at the federal, state, and local levels to maintain current service levels. Options for the short and medium-term must be evaluated with the objective of identifying possible revenues that would cover the projected operational expenses before a deficit occurs. Otherwise, ways of reducing operating expenses like farebox increases and/or transit service cuts will have to be identified in order to balance SCAT's budget in the coming years

3.0 Peer Systems Review

A review of funding sources used by peer systems in Florida was conducted to better understand and evaluate SCAT's funding sources as compared to other comparable systems in Florida. This chapter includes a summary of the capital and operating funding sources for systems operating in counties with similar conditions and populations to Brevard County. Other transit systems in Florida were also analyzed to obtain more information about the funding sources used by these agencies that are not considered SCAT's peers due to their different service characteristics. Particular attention is paid to the type and quantity of funding assistance provided by local jurisdictions to county transit agencies. The purpose of this chapter is to compare SCAT to other local transit agencies and identify and analyze the type of funding sources being used and available in Florida.

3.1 PEER SYSTEMS COMPARISON

SCAT's peer transit agencies were selected using the Florida Transit Information System's Integrated National Transit Database Analysis System (INTDAS). INTDAS's TCRP-based peer selection method was used.³ The top nine agencies in Florida with similar service area population, geographic proximity, and operating characteristics to SCAT were selected for the peer review. In addition, seven other transit agencies in Florida were included in the review to get a much broader perspective of the funding sources utilized by these agencies across the state. All 16 peers are described in **Table 3.1**.

Data reported in the most recent National Transit Database (NTD), 2007, was collected to conduct the peer review. **Table 3.1** summarizes the system characteristics of SCAT's peers and other Florida transit systems included in this review of funding sources. SCAT stands out from its peers given the large number of demand response and vanpool trips it provides. About 85% of its fleet is comprised of its paratransit and vanpool vehicles. This helps explain the large number of revenue miles reported when compared to the number of passenger trips the system carried in 2007. The other SCAT's peers have a smaller fleet size but like SCAT, VOTRAN, Pasco and Sarasota's demand response service is larger than their fixed-route bus system.

³ Transit Cooperative Research Program (TCRP) G-11: *A Methodology for Performance Measurement and Peer Comparison in the Public Transportation Industry*.
<http://rip.trb.org/browse/dproject.asp?n=16417>

Table 3.1 SCAT Peer Systems including other Florida Transit Systems

Transit Systems	City	Service Area Population	Passenger Trips	Revenue Miles	Fleet Size		Total Operating Expense (000s)	Total Capital Expense (000s)
					Bus	Demand Response ¹		
Space Coast Area Transit	Cocoa	551,030	1,618,308	3,886,759	7	157	\$10,005	\$41
SCAT FLORIDA PEERS								
County of Volusia: VOTRAN	South Daytona	468,670	3,370,267	5,807,841	56	107	\$18,313	\$3,610
Escambia County Area Transit	Pensacola	307,220	1,102,984	1,845,027	48	15	\$8,262	\$1,964
Lakeland Area Mass Transit	Lakeland	110,000	1,627,429	1,914,761	40	16	\$8,113	\$87
Lee County Transit	Fort Myers	451,153	3,196,760	4,314,383	60	51	\$19,805	\$1,658
Manatee County Area Transit	Bradenton	103,000	1,608,834	1,406,806	34	27	\$7,713	\$2,372
Okaloosa County Transit	Fort Walton	170,498	259,503	1,194,771	17	37	\$2,402	\$862
Pasco County Public Transportation	Port Richey	434,425	1,028,136	1,411,026	29	65	\$4,850	\$1,373
Polk County Transit Services Division	Bartow	153,924	571,202	661,959	7	13	\$2,067	\$2,482
Sarasota County Area Transit	Sarasota	398,854	2,427,287	3,774,372	49	83	\$17,806	\$6,540
OTHER FLORIDA TRANSIT SYSTEMS								
Central Florida Regional Transportation Authority	Orlando	1,536,900	26,078,255	22,002,545	285	244	\$96,496	\$21,912
Collier Area Transit	Naples	326,658	1,249,453	1,837,801	19	27	\$6,632	\$701
Gainesville Regional Transit System	Gainesville	149,173	8,975,825	3,044,519	109	52	\$16,300	\$2,633
Hillsborough Area Regional Transit Authority	Tampa	578,252	12,934,590	9,011,894	97	67	\$56,279	\$14,740
Palm Beach County: PalmTran	West Palm Beach	982,900	11,046,504	16,824,178	150	285	\$69,411	\$9,439
Pinellas Suncoast Transit Authority	St. Petersburg	858,947	11,663,754	12,377,911	210	186	\$53,955	\$8,594
Star Metro	Tallahassee	162,310	4,192,952	2,011,644	66	17	\$12,016	\$2,806

¹ Demand Response Fleet Size includes Vanpool.

Source: National Transit Database Report Year 2007

3.2 OVERVIEW OF FUNDING SOURCES

NTD 2007 report year data was used to obtain an overview of the capital and operating revenue sources for SCAT and each of the other transit agencies reviewed given it is a uniform data set reported every year to the Federal Transit Administration (FTA). In addition, the most recent Transit Development Plans (TDPs) were reviewed and follow-up phone interviews were conducted with most of the transit agencies to obtain a more recent description of the current funding sources and budget scenarios each of these agencies are facing.

Like all transit agencies in the country, SCAT and its peers rely on local, state and federal assistance to fund their operational and capital expenses every year. The next sections provide a more detailed overview of the capital and operating revenue sources. More emphasis on the type of funding assistance provided by local jurisdictions is presented with the goal of gaining a better understanding of how other transit agencies are funded locally.

Capital Funding Sources

Capital expenses at most of the transit systems included in the peer review, including SCAT, are essentially funded with federal grants. Some state and local funds also contribute to the capital revenue sources. **Table 3.2** provides an overview of the capital revenue sources for each of the transit agencies included in the review.

Most of the federal capital assistance to these transit agencies is obtained from FTA's Section 5307 Urbanized Area Formula Grant Program. Additional federal revenues are obtained from Section 5316 Job Access/Reverse Commute (JARC) Grant Program and Section 5317 New Freedom Program Grant Program which are competitive grant programs. The state's capital assistance is provided by the State Transportation Trust Fund and the State Block Grant Program.

Local capital revenues primarily come from general revenue funds. Some systems like Sarasota County Area Transit have dedicated sales tax revenues that cover capital expenses. Others like Pinellas Suncoast Transit Authority can transfer their dedicated ad valorem tax towards capital expenses as needed. SCAT relies only on federal assistance to cover its capital expenses, which in FY 2007 were \$41,000. This is much smaller compared to the other peers analyzed because in 2007 SCAT did not make any major capital investment like purchasing buses.

Table 3.2 Summary of Capital Revenue Sources (in thousands)

Transit Systems	Local Revenue		State Revenue		Federal Revenue		Other Revenue	
Space Coast Area Transit	-	-	-	-	\$41	100%	-	-
SCAT FLORIDA PEERS								
County of Volusia: VOTRAN	-	-	\$202	6%	\$3,408	94%	-	-
Escambia County Area Transit	-	-	-	-	\$1,964	100%	-	-
Lakeland Area Mass Transit	-	-	-	-	\$87	100%	-	-
Lee County Transit	\$182	11%	\$65	4%	\$1,411	85%	-	-
Manatee County Area Transit	-	-	-	-	\$2,372	100%	-	-
Okaloosa County Transit	-	-	-	-	\$862	100%	-	-
Pasco County Public Transportation	-	-	-	-	\$1,373	100%	-	-
Polk County Transit Services Division	\$259	10%	-	-	\$2,223	90%	-	-
Sarasota County Area Transit	\$2,174	33%	\$237	4%	\$4,130	63%	-	-
OTHER FLORIDA TRANSIT SYSTEMS								
Central Florida Regional Transportation Authority	\$7,056	32%	\$4,306	20%	\$10,550	48%	-	-
Collier Area Transit	\$541	77%	\$47	7%	\$114	16%	-	-
Gainesville Regional Transit System	-	-	\$500	19%	\$2,133	81%	-	-
Hillsborough Area Regional Transit Authority	\$910	6%	\$280	2%	\$13,418	91%	\$132	1%
Palm Beach County: PalmTran	\$35	0%	\$54	1%	\$9,349	99%	-	-
Pinellas Suncoast Transit Authority	-	-	-	-	\$8,594	100%	-	-
Star Metro	-	-	-	-	\$2,806	100%	-	-

Source: National Transit Database Report Year 2007

Operating Funding Sources

Local, state and federal revenues are used by all transit agencies reviewed to cover their operational expenses. **Table 3.3** provides an overview of how much local, state and federal revenue is used to cover each transit agency's operating expenses. It shows that the mix or degree of local, state and federal operating assistance varies significantly among the 17 transit agencies reviewed. SCAT and its nine peers rely heavily on local, state and federal operating assistance to cover their operational costs like all other transit agencies in the nation. **Table 3.3** shows that a significant amount of SCAT's operational financial support comes from state funds. The state provides operational assistance through a series of programs including the State Block Grant Program, the Service Development Program, the Corridor Program, and the Commuter Assistance Program. The State Block Grant Program supports the operations and capital improvements of all transit agencies in Florida providing a 50% match. The Service Development and Corridor Program are state competitive grant programs to implement service expansion and new service with a three year duration. The Commuter Assistance Program provides funding for the regional commuter assistance program administered by SCAT for Brevard County. Given the state is facing a financial crisis and some of these state revenues are not

permanent, state support is expected to be reduced resulting in a loss of revenue for SCAT in the future.

When compared with its peers, SCAT's share of local funding is less than all but two of its peers. It is also worth noting that SCAT has the second highest percentage of passenger fare contribution when reviewed amongst its peers. However, a large part of the fare revenue SCAT reports comes from its demand response and vanpool services including vanpool lease payments and contract revenue. The majority of the other Florida transit systems recover a higher amount of revenue from their fares in absolute terms but only two of the seven receive more passenger fare contributions than SCAT when evaluated as a percentage of total operating revenue. The majority of the other Florida transit systems receive less assistance from the state and the federal government. The level and type of local funding received by these transit agencies also varies and is discussed in more detail in the next section.

Table 3.3 Summary of Operating Revenue Sources (in thousands)

Transit Systems	Total Local Revenues						State Revenues		Federal Revenues	
	Fare Revenues		Other Funds ¹		Local Funds					
Space Coast Area Transit	\$2,081	21%	\$41	0%	\$1,545	15%	\$3,742	37%	\$2,595	26%
SCAT FLORIDA PEERS										
County of Volusia: VOTRAN	\$5,148	28%	\$369	2%	\$7,687	42%	\$2,714	15%	\$2,395	13%
Escambia County Area Transit	\$1,291	16%	\$319	4%	\$2,922	35%	\$1,742	21%	\$1,988	24%
Lakeland Area Mass Transit	\$861	11%	\$614	8%	\$3,529	44%	\$897	11%	\$2,211	27%
Lee County Transit	\$2,114	11%	\$1,782	9%	\$12,349	62%	\$3,218	16%	\$343	2%
Manatee County Area Transit	\$599	8%	\$299	4%	\$4,493	58%	\$1,196	16%	\$1,126	15%
Okaloosa County Transit	\$451	19%	\$39	2%	\$208	9%	\$1,342	56%	\$362	15%
Pasco County Public Transportation	\$441	9%	\$0	0%	\$1,275	26%	\$1,999	41%	\$1,135	23%
Polk County Transit Services Division	\$148	7%	\$0	0%	\$3	0%	\$486	24%	\$1,429	69%
Sarasota County Area Transit	\$971	5%	\$33	0%	\$11,133	63%	\$3,010	17%	\$2,659	15%
OTHER FLORIDA TRANSIT SYSTEMS										
Central Florida Regional Transportation Authority	\$19,482	20%	\$4,602	5%	\$44,020	46%	\$14,053	15%	\$14,339	15%
Collier Area Transit	\$1,153	17%	\$0	0%	\$2,241	34%	\$2,204	33%	\$1,034	16%
Gainesville Regional Transit System	\$8,263	51%	\$336	2%	\$3,240	20%	\$2,398	15%	\$2,064	13%
Hillsborough Area Regional Transit Authority	\$11,006	20%	\$4,037	7%	\$32,382	58%	\$3,566	6%	\$5,288	9%
Palm Beach County: PalmTran	\$7,541	11%	\$1,116	2%	\$48,961	71%	\$7,239	10%	\$4,554	7%
Pinellas Suncoast Transit Authority	\$11,612	22%	\$2,642	5%	\$33,294	62%	\$4,327	8%	\$2,081	4%
Star Metro	\$3,218	27%	\$235	2%	\$6,671	56%	\$987	8%	\$905	8%

¹ Other Funds include Directly Generated Non-Fare Revenue.

Source: National Transit Database Report Year 2007

Local Funding Sources

Local contributions are mainly used by transit agencies to cover their operational expenses. They are also used to match the federal and state grant programs that require local matching. For county-operated transit systems like SCAT and most of its peer transit agencies, including some city-operated systems in Florida, general revenue funds are the most common form of local contributions. General revenue funds primarily come from property (ad valorem) taxes, gas taxes and other taxes (telecommunications, utilities, etc.) levied to contribute into its general revenue fund. Every year, during the budget process, the transit agency presents its budget to the government entity (county or city) and the amount of local operating assistance is established as well as how much surplus can be carried forward to offset operational costs. The amount of local funding provided varies year by year depending on each government entity's funding levels and priorities.

In addition to the general revenue funds, some of these agencies also receive revenues from property taxes and gas taxes, but these are not dedicated sources. In most cases, the county or city dictates how much of the tax revenue will be allocated to transit operations. Some transit agencies also receive some revenues from local municipalities and universities due to an established partnership based on the transit service provide to them (e.g. beach trolley service, university shuttles, etc.). For example, LeeTran receives contributions from the Florida Gulf Coast University and some of the cities in the area because of interlocal agreements where the cost of service is shared based on the service level delivered.

Only a few of the transit agencies reviewed have a dedicated transit funding source. Lakeland Area Mass Transit, Hillsborough Area Regional Transit Authority and Pinellas Suncoast Transit Authority are independent authorities created by the legislature with the power to levy ad valorem taxes in special taxing districts. Lee County Transit (LeeTran), although county-operated, receives a dedicated small amount (1/3 of a penny) of the five-cent Local Option Gas Tax (LOGT) for its operations. LYNX, an independent transit authority, does not have a dedicated transit funding source and the county and city contributions predetermined by its regional funding allocation model are not enough to cover their operational expenses.

Table 3.4 shows a summary of the operating local funding sources for SCAT, its peers and the other transit agencies in Florida reviewed. It indicates with an "x" the main sources of local operating revenues: general revenue funds and local municipalities contribution, sales tax, gas tax, property tax, and other funds including interest earned, sale of surplus, insurance proceeds, telecomm tax, and others. The table also illustrates that the transit agency's configuration (i.e. county/city operated or independent authority) has an impact on the systems' local operating funding sources. The transit agencies that are county or city operated, like SCAT, most likely rely heavily on general revenue funds to obtain the local funds necessary to cover its operational expenses. On the other hand,

most of the transit agencies that are independent authorities have a dedicated funding source because they have been given the authority to levy ad valorem taxes to fund transit operations.

Table 3.4 Summary of Operating Local Funding

Transit Systems	Operated by	Total Local Funds (000s)	Share of Total Operating Funds	Local Operating Funding Sources				
				General Revenue Fund/Local Municipalities	Sales Tax	Gas Tax	Property Tax	Other
Space Coast Area Transit	County	\$1,545	15%	x			x	x
SCAT FLORIDA PEERS								
County of Volusia: VOIRAN	County	\$7,687	42%	x			x	
Escambia County Area Transit	County	\$2,922	35%	x		x	x	
Lakeland Area Mass Transit	Independent Authority	\$3,529	44%	x			o	
Lee County Transit	County	\$12,349	62%	x		o	x	
Manatee County Area Transit	County	\$4,493	58%	x		x	x	
Okaloosa County Transit	County	\$208	9%	x				
Pasco County Public Transportation	County	\$1,275	26%	x				x
Polk County Transit Services Division	County	\$3	0%	x				
Sarasota County Area Transit	County	\$11,133	63%	x			x	x
OTHER FLORIDA TRANSIT SYSTEMS								
Central Florida Regional Transportation Authority	Independent Authority	\$44,020	46%	x				
Collier Area Transit	County	\$2,241	34%	x		x		
Gainesville Regional Transit System	City	\$3,240	20%	x		x		x
Hillsborough Area Regional Transit Authority	Independent Authority	\$32,382	58%	x			o	
Palm Beach County: PalmTran	County	\$48,961	71%	x		x		x
Pinellas Suncoast Transit Authority	Independent Authority	\$33,294	62%	x			o	
Star Metro	City	\$6,671	56%	x				

Notes: x = Included in Local Operating Revenues, o = Dedicated Transit Funding Source
Other includes: Interest earned, Sale of surplus, Insurance proceeds, Gain/Loss on investment, Sale of assets and others.

Source: National Transit Database Report Year 2007 and individual transit agencies (TDPs and phone interviews)

After reviewing the funding sources of these transit agencies compared to SCAT, most of them face similar operating funding challenges. Their operating assistance largely comes from general revenue funds which primarily come from property taxes and gas taxes collected county or city-wide. These tax revenues have been severely impacted by Florida's current economic situation. Even those agencies with dedicated transit funding, mainly from ad valorem taxes levied in a special taxing district, are still facing revenue shortfalls to cover operating expenses in the next years. Some, like the Lakeland Area Mass Transit, are studying the feasibility of a referendum to raise the ad valorem tax to increase

the level of dedicated operating assistance currently received. Others, such as the transit agencies in Polk County, expect the Polk Transit Authority, created in 2007, to help them win the political support necessary to levy taxes in the county to support transit operations.⁴

In summary, SCAT, along with the other transit agencies in Florida, is facing a scenario where transit operating expenditures are increasing and revenues available to fund its operations are declining. In addition, the share of local funding received by SCAT to cover its operational expenses is among the least when compared to the other transit agencies reviewed. Other potential operating funding sources need to be reviewed and evaluated to determine what funding alternatives could provide operating assistance to SCAT.

⁴ Phone interview with Brian Jaruszewski, Controller – Lakeland Area Mass Transit. August 28, 2009 and <http://www.polktransitauthority.com/about/>.

4.0 Alternative Funding Sources

Alternative operating funding sources were researched to evaluate new funding options that could be applied to SCAT operations in the short term given a deficit of \$110,118 is expected next fiscal year. This chapter includes a summary of different funding opportunities including utilization of non-transit operating funds and identification of various federal, state, and local funding options. It also includes an analysis to estimate the impact of alternative county and local contributions to SCAT under different scenarios. Particular attention was paid to funding mechanisms used in transit agencies in Florida and across the nation that were innovative and could be used to diversify SCAT's operating revenues. The purpose of this chapter is to identify different types of funding opportunities and the best available options for SCAT to pursue to cover its expected operating funding shortfalls.

4.1 AVAILABILITY OF NON-TRANSIT OPERATING FUNDS

Utilizing non-transit operating funds through the flexing of funds for operations purposes could be an alternative funding source applied to SCAT operations in the short term. One potential funding source that may be flexed for use by SCAT for operating expenses is the American Recovery and Reinvestment Act (ARRA) signed into law in February 2009. Initially, only "ready to go" capital projects were eligible purposes of ARRA funds. But on June 24, 2009, some added flexibility was granted to FTA recipients of ARRA funds by President Obama when he signed the Supplemental Appropriations Act for 2009. This new law included a provision allowing up to ten percent of each amount apportioned in the Recovery Act for the urbanized (Section 5307) and non-urbanized (Section 5311) formula programs to be used for operating assistance.⁵ While this new law altered the eligible purposes of ARRA funds, it did not alter the requirement that 50 percent of ARRA transit formula funds had to be obligated by September 1st, 2009. In addition, consistent with FTA's current program guidance for Section 5307 and 5311, the operating assistance is only granted for a period that includes the applicant's current local fiscal year, plus one additional year.

FTA awarded SCAT about \$6 million for capital investments to be expended in FY 2009 and FY 2010. SCAT applied for ARRA capital funds before the ARRA operational assistance became available. FTA recommended that transit agencies not modify the grant already submitted to FTA so funds could be obligated by

⁵ http://www.fta.dot.gov/news/news_events_10012.html

September 1st, 2009. It recommended that the grant be amended to add operating assistance after the grant had been awarded.⁶ Given ARRA operating assistance has to be expended before the end of FY 2010 (September 30th, 2010) and SCAT's funding shortfalls are expected in FY 2011, SCAT decided not to amend their ARRA grant and apply for ARRA operating assistance. If ARRA operational assistance's timeframe was extended beyond FY 2010, SCAT could work with the FTA Regional office to amend their FTA ARRA grant and also check if a TIP amendment will be necessary in order to revise the scope of a project programmed in the TIP from capital to operating expenses. Using 10% of the ARRA grant awarded to SCAT, or about \$690,000, will cover the funding deficits SCAT is expecting for the next two fiscal years (\$108,118 in FY 2011 and \$588, 219 in FY 2012).

4.2 FEDERAL OPERATING FUNDING OPPORTUNITIES

Two federal revenue sources were identified as operating funding sources for SCAT. **Table 4.1** summarizes the available funding programs offered by the federal government with a synopsis of the advantages and disadvantages of each. SCAT currently receives operating funding from Section 5316 and 5317 programs. There are no additional operating transit funding programs available from the federal government.

Table 4.1 Federal Operating Funding Opportunities

Source	Application	Advantages	Disadvantages
Section 5316: Job Access and Reverse Commute (JARC)	<ul style="list-style-type: none"> Federal grant used for transport of low income persons to and from jobs and for reverse commute projects. 	<ul style="list-style-type: none"> Grant is flexible. Can apply for operating or capital money. 	<ul style="list-style-type: none"> A competitive application process. Requires 50% non federal matching share. Currently utilizing this program.
Section 5317: New Freedom Program	<ul style="list-style-type: none"> Formula program for expanding service to persons with disabilities. 	<ul style="list-style-type: none"> Can apply for operating or capital money. 	<ul style="list-style-type: none"> A competitive application process. Requires 50% non federal matching share. Currently utilizing this program.

4.3 STATEWIDE OPERATING FUNDING OPPORTUNITIES

Several statewide operating funding sources were identified for SCAT. These potential funding sources are listed in **Table 4.2** with a synopsis of the advantages and disadvantages of each funding source. SCAT currently receives

⁶ http://www.fta.dot.gov/index_9440_10006.html

funding from these state programs, so none of them could be used as a new funding source from the state. The Public Transit Service Development Program could be applied for again in the future if SCAT was to offer another special project besides the Weekend Bus Service and Extended Evening Bus Service that were funded through this program in the past. SCAT could apply again for the Transit Corridor Program for new transit services in the future for the SR 520 Corridor or along another corridor.

Table 4.2 Statewide Operating Funding Opportunities

Source	Application	Advantages	Disadvantages
Public Transit Block Grant Program	<ul style="list-style-type: none"> Funds eligible for public transit providers that are eligible for FTA Section 5307 and 5311. 	<ul style="list-style-type: none"> Grant is flexible Up to 50% of eligible operating costs can be provided. 	<ul style="list-style-type: none"> Currently utilizing this program.
Public Transit Service Development Program	<ul style="list-style-type: none"> Funds eligible for initial funding for special projects [F.S. 341.051, 20.23 (3.a), 334.048(3)]. 	<ul style="list-style-type: none"> Grant is flexible Covers all operating costs less federal funds, fares, and other income of project. 	<ul style="list-style-type: none"> Program provides funding for no more than three years. Competitive application process.
Transit Corridor Program	<ul style="list-style-type: none"> Funding for transit corridor projects to relieve congestion and improve capacity [F.S. 341.031(10), 341.051(5.e)] 	<ul style="list-style-type: none"> Grant covers up to 100% of capital and net operating costs of projects. Reauthorization is determined on whether project met or exceeded goal. 	<ul style="list-style-type: none"> Program provides funding for no more than two years. Currently utilizing this program, but funds tentatively run out in FY 2016.

4.4 OPERATING FUNDING ASSISTANCE FROM LOCAL JURISDICTIONS

A more detailed analysis of local jurisdiction contributions to county transit operators in Florida was performed to inform and show SCAT how other transit agencies receive contributions from local municipalities or entities in addition to county general revenue funds. The peer review analysis conducted found that only a few Florida transit agencies receive revenues from local municipalities, universities and other private entities due to established partnerships between both parties based on the transit service provided (i.e. beach trolley service, university shuttles, etc.). **Table 4.3** shows the share of operating assistance provided by local jurisdictions.

Table 4.3 Share of Operating Funding Assistance from Local Jurisdictions

Transit Systems	Fiscal Year TDP/ Budget ¹	County General Funds	Cities/ Universities/ Other	Local Revenues ² / Taxing District
Space Coast Area Transit	FY 2010			
Brevard County General Fund		23.0%		
City of Melbourne			0.4%	
City of Cocoa Beach			0.5%	
SCAT FLORIDA PEERS				
County of Volusia: VOTRAN	FY 2009			
Volusia County General Fund (Property Tax)		46.2%		
Escambia County Area Transit	FY 2008			
Escambia County General Fund		11.8%		
Santa Rosa Island Authority			0.4%	
UWF Trolley Contribution			1.6%	
City of Pensacola			1.5%	
Lakeland Area Mass Transit	FY 2007			
Ad Valorem Tax (LAMTD special taxing district)				46.3%
Local Operating Assistance				1.3%
Lee County Transit	FY 2010			
Lee County General Fund		59.5%		
Contribution - FGCU			1.6%	
Contribution - Ft. Myers Beach			1.1%	
Contribution - Bonita Springs			0.9%	
Contribution - River District Circulator			0.5%	
Manatee County Area Transit	FY 2008			
Manatee County General Fund		43.8%		
Local Government Revenues				1.2%
Local Non-Government Revenues				1.8%
Okaloosa County Transit	FY 2007			
Okaloosa County General Fund		10.1%		
Other Local Funds				14.0%
Pasco County Public Transportation	FY 2009			
Local Government Funds				32.1%
Sarasota County Area Transit	FY 2007			
Local Revenues				73.5%
Intergovernmental Revenue				0.2%
OTHER FLORIDA TRANSIT SYSTEMS				
Central Florida Regional Transportation Authority (LYNX)	FY 2008			
Orange County General Funds		34.8%		
Cities (includes Orlando)			4.0%	
Osceola County General Funds		4.0%		
Cities (e.g. Kissimmee, St. Cloud)			0.4%	
Seminole County General Funds		4.1%		
Cities (e.g. Altamonte Springs, Sanford)			0.2%	
Collier Area Transit	FY 2006			
Collier County General Fund		56.0%		
Gainesville Regional Transit System	FY 2007			
Alachua County		5.1%		
University of Florida Contribution			49.2%	
City Gas Tax			12.7%	
Local Funds				3.2%

Table 4.3 Share of Operating Funding Assistance from Local Jurisdictions (continued)

Transit Systems	Fiscal Year TDP/ Budget ¹	County General Funds	Cities/ Universities/ Other	Local Revenues ² / Taxing District
OTHER FLORIDA TRANSIT SYSTEMS (continued)				
Hillsborough Area Regional Transit Authority				
FY 2009				
Ad Valorem Taxes (HART special taxing district)				59.0%
Local Funding				1.1%
Palm Beach County: PalmTran				
FY 2005				
Palm Beach County General Fund		39.2%		
Gasoline Tax Revenue				22.7%
Other Local Funds				0.5%
Pinellas Suncoast Transit Authority				
FY 2008				
Ad Valorem Taxes (PSTA special taxing district)				65.6%
Local Beach Trolley (St. Pete Beach & Treasure Island)			1.1%	

¹ SCAT's financial data is based on FY 2010 Budget. The latest available financial plan from the Transit Development Plans (TDPs) provided by FDOT/CUTR was used for all other agencies.

² Local Revenues include funds not specified if they are from county, cities or other local jurisdiction.

This information is based on SCAT's approved budget for FY 2010 and the financial element of the Transit Development Plans (TDPs) obtained from FDOT Transit Office through the Center for Urban Transportation Research (CUTR) for all other transit agencies. Not all transit agencies' financial elements specified if their local operating assistance came as contributions from the county, its cities or other local entities, such as universities.

As expected, county contributions make up a large share of the local operating assistance provided to county-operated transit agencies. SCAT receives 23% of its operating funds from Brevard County's General Revenue Fund. It also receives less than 1% contributions from two of the cities it serves: the City of Melbourne and the City of Cocoa Beach. The City of Melbourne has been contributing about \$26,000 for over 10 years to SCAT to cover the cost of providing free fares to Melbourne residents on Routes 1 and 21. In FY 2010, the City of Cocoa Beach is providing half of the local match for the Minuteman Causeway project or about \$31,500.

Two other county-operated transit agencies, Escambia County Area Transit and Lee County Transit, indicate that they receive funding from some cities and universities in their service area. Central Florida Regional Transportation Authority (LYNX), Gainesville Regional Transit System (RTS), and Pinellas Suncoast Transit Authority, two transit authorities and one city-operated system, also receive contributions from some of the cities and universities in their service area. In the case of RTS, close to half of its operating budget is funded from contributions from the University of Florida in Gainesville. Lakeland Mass Area Transit, Hillsborough Area Regional Transit Authority, and Pinellas Suncoast Transit Authority are independent transit authorities by statute that have a special taxing district where they collect an ad valorem tax from the communities within their district. This tax provides them with a dedicated funding source

which makes up the majority of their operating funds. However, they still receive some level of local operating assistance. It is not clear if this local operating assistance is from county or city funds.

Below are two examples of transit agencies in Florida, Lee Tran and LYNX, who receive contributions from some cities in their service area and how their funding levels are apportioned.

Lee County Transit

One example is LeeTran in Lee County which receives contributions from the Florida Gulf Coast University (FGCU) and some of the cities in the area like Ft. Myers Beach and Bonita Springs.⁷ The partnership with FGCU is part of a five-year master campus agreement between the county and the university where transit is one of the services included in the agreement. The university pays half of the fully allocated cost of the transit service provided to the campus. Similarly, annual agreements between the cities and the county are negotiated every year to cover specific transit services. In Fort Myers Beach, during the four-month tourist season, the city pays 100% of the operating cost of the enhanced beach trolley service. In the case of Bonita Springs, Lee Tran approached the city government when they did not have the operating funds necessary to continue providing the same level of service in the city. As a result, the city of Bonita Springs agreed to pay half the operating cost of the transit service provided in order to keep the same level of service in the city. In all cases, Lee County bills their partners exactly the cost of service provided based on a fixed operating cost per service hour calculated every fiscal year minus the fares collected in the transit services included in the agreement.

LYNX (Central Florida Regional Transportation Authority)

LYNX, the independent transit authority in Central Florida, receives private funding from entities like Disney World and the International Drive Improvement District (IDID) to cover its operational cost as part of several partnerships to mitigate traffic congestion or improve mobility in the area.⁸ LYNX's partnership with Disney is part of a mitigation effort for I-4 while its partnership with IDID is for a circulator route along International Drive. These contract services are charged on a system-wide hourly rate times the number of service hours provided. Similar to LeeTran, LYNX officials set the fixed operating cost per hour every year based on the net operating cost of service (minus all non-local revenue and farebox revenue) and the total hours of service

⁷ Phone interview with Susan Riley, Financial Manager - Lee County Transit. October 15, 2009.

⁸ Phone interview with Bert Francis, Chief Financial Officer - LYNX. September 25, 2009.

budgeted each year. They also add a \$2 per hour assessment for maintenance and replacement capital costs.

LYNX, in addition to these private partnerships, receives local operating funds from the three counties it serves (Orange, Osceola and Seminole Counties). It is unique when compared to the other transit agencies analyzed in that it has a regional funding allocation model that stipulates, based on the hours of service provided in each county, how much each county government has to contribute to LYNX to cover its operational costs. Although this regional allocation model allows for some promise that the counties, as regional funding partners, will contribute to LYNX's operations, it does not stipulate how much the cities should contribute. However, the counties are given credit based on the discretionary amount their cities contribute to cover LYNX's operational costs. Orange County is credited for the amount the city of Orlando contributes to LYNX, Osceola County is credited for Kissimmee and St. Cloud's contributions, and Seminole County is credited for what Altamonte Springs and Sanford contribute to LYNX. It is unknown what funding source these cities use to contribute to LYNX. When counties can not pay their share of the local funding contribution stipulated by the regional allocation model, LYNX has had to use its reserve funds to keep the same level of transit service in the area or make operational adjustments like cut service hours or increase fares.

While these two agencies have been successful in obtaining other local operating funding contributions beyond county general funds, they are still facing revenue shortfalls to cover future operating expenses. LYNX is studying the feasibility of a dedicated transit funding source and Lee Tran has continued to approach local municipalities, like Cape Coral, to enter into partnerships to offset the cost of enhanced transit service in their area. SCAT's service area includes 15 municipalities but only two contribute a small amount (less than 1%) to its operating expenses as noted earlier. Increasing the contributions to SCAT from the cities SCAT serves is an option to offset the cost of providing bus service in their area.

4.5 POTENTIAL LOCAL FUNDING OPPORTUNITIES

Many alternative revenue sources were identified for consideration as local operating funding sources for SCAT. These potential funding sources are listed below with a summary of the advantages and disadvantages of each funding source. Many of the funding options were obtained from the *TCRP Report 129 "Local and Regional Funding Mechanisms for Public Transportation - Table 3.1"* and compiled with other state and national transit revenue sources. **Table 4.4** to **Table 4.6** summarize funding programs offered by other transit agencies in Florida and across the nation as well as examples of some innovative funding ideas emerging in the industry.

It should be noted that **Table 4.4** to **Table 4.6** represent a comprehensive list of potential financing options to assist with transit. Some of the listed financing

options go beyond simply funding transit operations and could also be utilized for funding transit capital costs and even general transportation projects of varying modes. **Table 4.5** and **Table 4.6** specifically deal with more non-traditional and innovative financing mechanisms for transit and transportation in general. While they are listed here to ensure a “complete review” of all funding options it is recognized that their potential for application to SCAT is low, especially in the short term.

Table 4.4 Traditional Taxes and Common Business, Activity Related Taxes

Source	Application	Advantages	Disadvantages	Examples
Charter County Transit Surtax	<ul style="list-style-type: none"> Up to 1% sales tax for transit expenses [F.S. 212.055(1)] Majority vote of the electorate is needed for implementation. 	<ul style="list-style-type: none"> Dedicated funding source. Mechanism in place for collection of funds. Tax burden is shared by visitors and residents. 	<ul style="list-style-type: none"> Difficult to implement as it would likely face public opposition. Revenue fluctuates with economy. Affects nonusers of transit. 	<ul style="list-style-type: none"> Duval County, FL (since 1989) Miami-Dade County, FL (since 2003).
Local Government Infrastructure Surtax	<ul style="list-style-type: none"> Sales tax of 0.5 or 1%. Referendum or majority plus one of the county governing authority is needed. [F.S. 212.055(2)] 	<ul style="list-style-type: none"> Dedicated funding source. Tax burden is shared by visitors and residents. 	<ul style="list-style-type: none"> Can only be used for capital investment Money can be spread thin as this is for all infrastructure investments, not just transit capital expenses. 	<ul style="list-style-type: none"> Duval County, FL
Local Option Gas Tax: (Ninth-Cent Fuel Tax)	<ul style="list-style-type: none"> Increasing gas taxes Referendum or extraordinary vote of county government is needed [F.S. 336.025(1.b)] 	<ul style="list-style-type: none"> Reliable source of operating funding. Revenues are flexible. Does not require voter approval if approved by BoCC. Tax burden is shared by visitors and residents. 	<ul style="list-style-type: none"> Revenue is declining as consumers drive less and use more fuel efficient vehicles. Stable level of funding is not guaranteed. Revenue fluctuates with economy and tourism. Currently utilizing full capacity of 1-6 Cents Local Option Fuel Tax program. 	<ul style="list-style-type: none"> Palm Beach County, FL (PalmTran)
Rental Car Surcharge	<ul style="list-style-type: none"> A flat fee increase (County would set desired amount) Would require legislative approval 	<ul style="list-style-type: none"> Would help offset the additional driving on local roads from rental cars to help support transit investment Burden shared by all that rent cars, residents and tourists 	<ul style="list-style-type: none"> The most recent legislation has stipulated a rental car surcharge for Tri-Rail only Hard to get political, statewide, and local support Opponents think this fee would depress tourism 	<ul style="list-style-type: none"> Seattle, WA (Sound Transit) Washington, DC (NVTA) Allegheny County, PA

**Table 4.4 Traditional Taxes and Common Business, Activity Related Taxes
(continued)**

Source	Application	Advantages	Disadvantages	Examples
Employer/ Payroll Tax	<ul style="list-style-type: none"> • A tax percentage levied on gross payroll • Requires legislative approval in form of a statutory amendment 	<ul style="list-style-type: none"> • A dedicated source of funding • Mechanism in place for collection of funds 	<ul style="list-style-type: none"> • Viewed as a form on income tax which is prohibited by the state constitution • Tied to the job market, fluctuates in bad economy 	<ul style="list-style-type: none"> • Portland, OR • Louisville, KY • Hood River, OR
Vehicle Registration Tax	<ul style="list-style-type: none"> • An annual fee levied on registered vehicles • Requires legislative approval in form of a statutory amendment 	<ul style="list-style-type: none"> • Does not require voter approval 	<ul style="list-style-type: none"> • Would not represent a significant funding source • Typically used for all transportation improvements • Likely to face statewide opposition if lobbied 	<ul style="list-style-type: none"> • San Francisco, CA (BART) • White River Junction, VT
Room/ Occupancy Tax	<ul style="list-style-type: none"> • Applied to hotel/Motel rooms • Requires BoCC approval 	<ul style="list-style-type: none"> • Paid by mostly visitors and tourists 	<ul style="list-style-type: none"> • Opponents view this as a mechanism that hurts tourism • Difficult to raise local support 	<ul style="list-style-type: none"> • Park City, UT
Realty Transfer Taxes	<ul style="list-style-type: none"> • A percentage of a single real estate transfer of deeds when selling property • Requires legislative approval in the form of a statutory amendment [F.S. 201.12(1.c)] 	<ul style="list-style-type: none"> • Typically earmarked for capital expenses 	<ul style="list-style-type: none"> • Fluctuates with economy and housing market • Places burden on sellers and buyers of property • Criticism could arise from local Realtor's Association and bring negative attention to SCAT 	<ul style="list-style-type: none"> • Chicago, IL (CTA) • Washington, DC (NVTA)
Motor Vehicle Sales Tax	<ul style="list-style-type: none"> • A percentage of sales prices that would apply to sales of motor vehicle registered for road • Requires approval of governing authority or referenda 	<ul style="list-style-type: none"> • A new source of income if approved 	<ul style="list-style-type: none"> • Generally used for transportation purposes • May be hard to earmark a portion for transit • Dependent on economy 	<ul style="list-style-type: none"> • Minneapolis, MN (Metro Transit)

Table 4.5 Revenue Streams from Business, Activity, and Transportation Projects

Source	Application	Advantages	Disadvantages	Examples
Parking Fees	<ul style="list-style-type: none"> A portion of parking fees and fines are provided to fund transit services 	<ul style="list-style-type: none"> May divert some roadway users to transit or other alternative forms of transportation 	<ul style="list-style-type: none"> Might not be viable for SCAT as there are only two lots that it operates but are owned by FDOT. 	<ul style="list-style-type: none"> San Francisco, CA (MUNI) Denver, CO
Business License Fee	<ul style="list-style-type: none"> A flat fee that businesses have to pay annually Fee used to pay supporting transit costs 	<ul style="list-style-type: none"> New source of revenue, though insignificant Possible mechanism to partner businesses with transit services 	<ul style="list-style-type: none"> May be a deterrent for new businesses entering Brevard Could be seen as a deterrent for economic development 	<ul style="list-style-type: none"> Louisville, KY Park City, UT
Donations	<ul style="list-style-type: none"> Dependent on generosity of donor 	<ul style="list-style-type: none"> Tax-deductible for donor Money can be flexible 	<ul style="list-style-type: none"> Not a reliable or significant source of income 	<ul style="list-style-type: none"> Orlando, FL (LYNX) Salt Lake City, UT
Lottery or Casino Revenues	<ul style="list-style-type: none"> A percentage of proceeds would be allocated to transit Requires legislative approval in the form of a statutory amendment 	<ul style="list-style-type: none"> when used nationally helps fund service for disabled, veterans, and seniors Fees are collected from those that participate in these activities 	<ul style="list-style-type: none"> Represents a narrow tax base Might face statewide opposition Would expensive to lobby for this 	<ul style="list-style-type: none"> New Jersey (paratransit)
Value Capture and Beneficiary Charges	<ul style="list-style-type: none"> Current/future value of transit is captured by the increase in market value of the surrounding real estate Generally approved from landowners residing in a certain area Examples are impact fees, special assessment districts, and TIFs 	<ul style="list-style-type: none"> Could potentially increase ridership on route serving this area 	<ul style="list-style-type: none"> Not a reliable source of income Depends on project/public investment installed and employing proper mechanisms to capture value Difficult to implement 	
Impact Fees/Transportation Concurrency Fees	<ul style="list-style-type: none"> A fee implemented on new development dedicated to transit Requires BoCC approval for fee increase 	<ul style="list-style-type: none"> Not up to voter approval Fee is passed on to new users of the system 	<ul style="list-style-type: none"> Developers dislike high impact fees Could be seen as a deterrent to growth Fluctuates with economy 	<ul style="list-style-type: none"> Broward County, FL
Utility Tax/Fee	<ul style="list-style-type: none"> Derived from a variety of municipal services Money is deposited in general revenue fund and used on transit 	<ul style="list-style-type: none"> New source of revenue, though insignificant All households and businesses are required to pay 	<ul style="list-style-type: none"> Could be difficult to negotiate with utility companies May be unpopular with residents and businesses 	<ul style="list-style-type: none"> St. Joseph, MO Pullman, WA
Contracts/Purchase of Service	<ul style="list-style-type: none"> Contracted specialized service to outside entities Subject to approval by transit agency 	<ul style="list-style-type: none"> Typically used to cover costs for a specific transit service 	<ul style="list-style-type: none"> Might be difficult to negotiate 	<ul style="list-style-type: none"> Chicago, IL (Pace) Austin, TX

Table 4.6 Innovative Transit Financing Mechanisms

Source	Application	Advantages	Disadvantages	Examples
Transit-Oriented Development/Joint Development	<ul style="list-style-type: none"> Projects generally derived through public-private partnership 	<ul style="list-style-type: none"> Could potentially increase ridership on route serving the TOD Public support is likely 	<ul style="list-style-type: none"> Could be risky to invest in bus-oriented TODs as bus route are not fixed Difficult to find a partner 	<ul style="list-style-type: none"> Washington, DC (WMATA) Miami-Dade County, FL
Special Assessment Districts	<ul style="list-style-type: none"> An area in which the property owners are assessed a fee for the benefit of transit investment Requires BoCC approval 	<ul style="list-style-type: none"> Could potentially increase ridership on route serving this area 	<ul style="list-style-type: none"> Property owners might not want to be assessed a fee for transit service in their area Might have difficulty finding a suitable area 	<ul style="list-style-type: none"> Lakeland County, FL Pinellas County, FL Hillsborough County, FL
Community District/Community Facilities Districts	<ul style="list-style-type: none"> A special taxing district to help finance transportation and/or other public investments Requires a petition with consent of landowners and a public hearing by BoCC for approval 	<ul style="list-style-type: none"> Could potentially increase ridership on route serving this area 	<ul style="list-style-type: none"> Can only be used for capital expenses [F.S. 190.012] Could be hard to implement Difficult to find an area that would support this 	
Tax-Increment Financing District	<ul style="list-style-type: none"> District captures revenue from taxes on property value increases from public investment Requires BoCC approval 	<ul style="list-style-type: none"> An innovative way to redevelop depressed areas. Investment benefits users within the district 	<ul style="list-style-type: none"> Generally used to help repay bonds issued to fund capital investment Revenue is risky as it depends of economy and future development within the district 	<ul style="list-style-type: none"> Tampa, FL (HART)
Vehicle Emissions Testing/Emission Fees	<ul style="list-style-type: none"> Fee from auto emissions inspections in the district pay annually to subsidize their vehicle's greenhouse emissions 	<ul style="list-style-type: none"> Could be a stable source of income if approved Positive effort to reduce greenhouse gas emissions and be green 	<ul style="list-style-type: none"> No application has been attempted to date in the U.S. Start-up costs for test centers would be expensive Likely opposition locally 	
Vehicle Miles Traveled (VMT) Fee	<ul style="list-style-type: none"> A fee that is applied directly to the amount of miles driven Currently being tested in six states to see if this is a viable mechanism to replace fuel taxes 	<ul style="list-style-type: none"> Users pay the cost of using the roadways Could be used to help support and advance transit 	<ul style="list-style-type: none"> In the preliminary stages of planning for the consideration of VMT use More insight will come if this is implemented 	<ul style="list-style-type: none"> Portland, OR San Diego, CA

As noted, **Table 4.4** to **Table 4.6** represent a comprehensive list of potential financing options to assist with transit and it is recognized that many of the funding options have little application to SCAT in the short term. To that point the alternative funding scenarios presented in the next section are traditional in nature and focus on how SCAT can make up for its operating revenue deficit in the short term.

4.6 ALTERNATIVE FUNDING AND OPERATING SCENARIOS

A series of funding and operating scenarios were developed to determine how SCAT could potentially fill its short term funding gap and/or how it might have to cut service in order to balance its finances. For all scenarios it was assumed that SCAT's current budget through Fiscal Year FY 2010 would not be adjusted and all scenarios begin in FY 2011. Also, all existing assumptions regarding fuel prices and growth factors in SCAT's ten year budget forecast were untouched and held constant through all scenarios (see **Table A.1** in Appendix). Please refer to the Appendix for the complete analysis worksheets summarizing the funding and operating scenarios.

Scenario 1: Increase Farebox Revenue

One scenario to make up SCAT's operating deficit would be to adjust the fare charged to SCAT's fixed-route riders. Increasing farebox revenue to fund SCAT's operating shortfall is an equitable solution (directly charging users) although some may state that SCAT's riders are already below the median income group of Brevard County as a cohort and asking those in the most need to fund a larger share of the transit network is regressive in nature.

Scenarios were run to determine the ability of farebox revenues to make up SCAT's operating shortfall. It should be noted that only fixed route service was deemed as eligible for a farebox increase. Demand response customers are typically of greater need than the average fixed route customer. It was assumed there would be no public appetite for raising fares on these customers at this time. It should also be noted that price elasticities and their potential to impact ridership levels could not be accounted for in this basic analysis. Therefore, it is assumed that SCAT's riders are price inelastic and ridership would not decline as a result of fare increases. This is highly unlikely and SCAT would most likely see some drop in ridership due to increased fares.

In order for SCAT to fully fund its operating budget in FY 2011 it would have to raise its farebox revenue for fixed-route service by 16 percent. This would mean the current average fare for fixed-route service would have to increase from \$0.44

to \$0.51.⁹ The average fare is the ratio between the total revenue generated by the farebox divided by the total number of unlinked passenger trips in a year¹⁰. SCAT's average fare for fixed-route service is considerably lower (\$0.44) than the regular full fare of \$1.25.

While this initial farebox increase of 16 percent will make SCAT solvent in FY 2011, SCAT's operating deficit will continue to grow through 2019 and multiple tiered farebox increases would be necessary for SCAT to operate without a deficit in FYs 2012 through 2019. Assuming SCAT will be able to carry forward the full amount of surplus to be used as operating revenue the next fiscal year, an additional farebox revenue increase of 58 percent would be required in FY 2012, with another increase of two percent in FY 2015 and a final increase of 22 percent in FY 2016. As a result, SCAT's average fixed-route fare will increase from \$0.44 to \$1.00 between FY 2010 and FY 2019.¹¹ Assuming SCAT is not allowed to carry any balance forward, a small farebox increase of one percent in FY 2014 would be necessary in addition to the farebox increases in FY 2011, 2012, 2015, and 2016. **Table 4.7** summarizes the impact of increasing the farebox revenue on SCAT's projected budget. See **Tables A.2** and **A.3** in the Appendix for the complete analysis worksheets.

Table 4.7 Fixed-Route Farebox Increase Scenario

Funding Scenario	Baseline		Farebox Increase with Balance Forward			Farebox Increase without Balance Forward		
	Projected Farebox Revenue	Surplus/Deficit	% of Increase	Adjusted Farebox Revenue	Surplus/Deficit	% of Increase	Adjusted Farebox Revenue	Surplus/Deficit
FY 2010	\$661,989	\$0		\$661,989	\$0		\$661,989	\$0
FY 2011	\$684,475	-\$108,118	16%	\$793,991	\$1,398	16%	\$793,991	\$1,398
FY 2012	\$712,069	-\$588,219	58%	\$1,305,080	\$6,190	58%	\$1,305,080	\$4,792
FY 2013	\$740,910	-\$572,664	-	\$1,357,940	\$50,556	0.5%	\$1,357,940	\$44,366
FY 2014	\$771,058	-\$648,932	-	\$1,413,194	\$43,761	-	\$1,420,260	\$271
FY 2015	\$802,575	-\$728,666	2%	\$1,500,378	\$12,898	4%	\$1,537,446	\$6,205
FY 2016	\$835,527	-\$1,067,425	22%	\$1,905,616	\$15,562	19%	\$1,904,679	\$1,727
FY 2017	\$869,983	-\$1,105,116	-	\$1,984,202	\$24,665	-	\$1,983,226	\$8,127
FY 2018	\$906,016	-\$1,141,638	-	\$2,066,383	\$43,394	-	\$2,065,367	\$17,713
FY 2019	\$943,701	-\$1,176,882	-	\$2,152,333	\$75,144	-	\$2,151,274	\$30,691

⁹ Based on National Transit Database Report Year 2008, SCAT's average fare for fixed-route service only is \$535, 329 (farebox revenue) / 1,222,336 (unlinked trips) = \$0.44.

¹⁰ Unlinked passenger trips are the number of passengers boarding public transportation vehicles. A passenger is counted each time he/she boards a vehicle even if the boarding is part of the same journey from origin to destination

¹¹ Assuming average fixed-route fare is proportional to the fixed-route full fare, an average fixed-route fare of \$1.00 represents a fixed-route full fare of \$2.85.

Scenario 2: Cut Service Hours

Raising the farebox multiple times to fully cover SCAT's operating shortfall is probably not the best option for SCAT. If no additional revenue can be brought forward to fund the operating shortfall expected then service must be cut to reduce operating expenses and balance SCAT's finances. Similar to the assumption in increasing the farebox, the service cuts discussed only apply to fixed route service. It is assumed that demand response service would see no reduction in service.

Based on SCAT's fixed-route service hours for FY 2010 (78,572) and the annual growth rate of two percent assumed in SCAT's ten-year projected budget for operational expenses, the service hours for FY 2011 to 2019 were calculated. These were then adjusted to calculate how much service hours have to be cut to balance SCAT's finances in the next ten years. It was assumed that the service hours, once cut, will continue to grow at the two percent annual growth rate assumed by SCAT in its ten-year projections.

Like the examination of farebox increases and assuming SCAT will be able to carry forward the full amount of surplus to be used as operating revenue the next fiscal year, multiple tiers of service cuts are needed to balance SCAT's operating shortfall. Service hours have to be reduced in FY 2011, 2012, 2015 and 2016. A three percent cut in service hours is needed to balance FY 2011, following by a 12 percent service cut in FY 2012. By 2015, another reduction in service hours of one percent is expected with a ten percent reduction in FY 2016 to eliminate the deficits from FY 2012 to FY 2018. These cuts amount to a reduction of over 8,000 service hours between FY 2011 and FY 2018 when compared to FY2010 budget. A reduction in service hours means cuts in the amount of service provided (e.g. decrease in hours of service, less frequent service or more time between buses, reduced length or coverage of route). Assuming SCAT is not allowed to carry any balance forward, an additional one percent of service cuts in FY 2014 would be necessary in addition to the service cuts in FY 2011, 2012, 2015, and 2016.

This analysis was conducted under the unlikely assumption that SCAT's ridership will remain unaffected by the loss of service hours provided. It is important to note that with any service cuts, ridership will most likely be reduced due to decreased demand. Therefore, SCAT's revenues will most likely decrease accordingly which will impact actual deficit numbers.

Table 4.8 summarizes the impact of cutting SCAT service hours on SCAT's projected budget. See **Tables A.4** and **A.5** in the Appendix for the complete analysis worksheets.

Table 4.8 Fixed-Route Service Cuts Scenario

Funding Scenario	Baseline		Cut in Service Hours with Balance Forward				Cut in Service Hours without Balance Forward			
	Service Hours ¹	Surplus/Deficit	% Cut	Adjusted Service Hours	Change in Service Hours	Surplus/Deficit	% Cut	Adjusted Service Hours	Change in Service Hours	Surplus / Deficit
FY 2010	78,572	\$0	-	78,572	-	\$0	-	78,572	-	\$0
FY 2011	80,143	-\$108,118	3%	77,739	-833	\$14,062	3%	77,739	-833	\$14,062
FY 2012	81,746	-\$588,219	12%	69,779	-7,960	\$34,007	12%	69,779	-7,960	\$19,945
FY 2013	83,381	-\$572,664	-	71,174	1,396	\$81,671	1%	71,174	1,396	\$47,663
FY 2014	85,049	-\$648,932	-	71,872	1,423	\$65,472	-	71,872	698	\$20,694
FY 2015	86,750	-\$728,666	1%	71,843	711	\$19,825	2%	71,843	-29	\$28,860
FY 2016	88,485	-\$1,067,425	10%	65,952	-6,011	\$29,066	10%	65,952	-5,891	\$77,639
FY 2017	90,255	-\$1,105,116	-	67,271	1,346	\$22,150	-	67,271	1,319	\$62,850
FY 2018	92,060	-\$1,141,638	-	68,616	1,373	\$677	-	68,616	1,345	\$49,688
FY 2019	93,901	-\$1,176,882	-	69,989	1,400	-\$33,637	-	69,989	1,372	\$38,270

¹ Fixed-Route service hours in FY 2010 were provided by SCAT. Service hours for FY 2011-2019 were estimated based on the 2% annual increase in operating costs assumed in SCAT ten-year projected budget.

Scenario 3: Increase Farebox Revenue and Cut Service Hours

A combined scenario was investigated recognizing that solely increasing farebox revenues to fund SCAT's operating shortfall or completely relying on service cuts may be too extreme in both scenarios. A spreadsheet tool was developed to run multiple iterations of the scenario capturing the financial impact of both increasing the farebox and cutting service. Like the previous scenarios, multiple tiers of farebox increase and service cuts are needed to balance SCAT's operating budget assuming SCAT will be able to carry forward the full amount of surplus to be used as operating revenue the next fiscal year. Increasing the farebox by five percent while cutting service by two percent will reconcile SCAT's operating shortfall in FY 2011. An additional farebox increase of nine percent and an additional service cut of ten percent in FY 2012 will balance SCAT's operating budget through FY 2014. However, an additional farebox increase of one percent in FY 2015 and 15 percent in FY 2016 coupled with a two percent cut in service hours in FY 2015 and an additional five percent in FY 2016 would be needed to completely balance SCAT's finances through FY 2019. Assuming SCAT is not allowed to carry any balance forward, a four percent increase of farebox revenue in FY 2014 would be necessary in addition to farebox revenue increases in FY 2011, 2012 and 2016 and service cuts in FY 2011, 2012, 2015, and 2016. **Table 4.9** summarizes the combined scenario of farebox increase and service cuts. See **Tables A.6** and **A.7** in the Appendix for the complete analysis worksheets.

This analysis was conducted under the unlikely assumption that SCAT's riders are price inelastic and ridership will remain unaffected due to the increase in fares and loss of service hours provided. It is important to note that with any service cuts and fare increases, ridership will most likely be reduced due to

decreased demand. Therefore, SCAT’s revenues will most likely decrease accordingly which will impact actual deficit numbers.

Table 4.9 Fixed-Route Farebox Increase and Service Cuts Scenario

Funding Scenario	Baseline	Farebox Increase and Service Cuts with Balance Forward			Farebox Increase and Service Cuts without Balance Forward		
	Surplus/Deficit	% of Farebox Increase	% of Service Cuts	Surplus/Deficit	% of Farebox Increase	% of Service Cuts	Surplus/Deficit
FY 2010	\$0			\$0			\$0
FY 2011	-\$108,118	5%	2%	\$7,559	5%	2%	\$7,559
FY 2012	-\$588,219	9%	10%	\$12,421	9%	10%	\$4,862
FY 2013	-\$572,664	-	-	\$46,809	-	-	\$34,388
FY 2014	-\$648,932	-	-	\$19,285	4%	-	\$7,775
FY 2015	-\$728,666	1%	2%	\$13,731	-	2%	\$22,002
FY 2016	-\$1,067,425	15%	5%	\$25,721	13%	5%	\$25,091
FY 2017	-\$1,105,116	-	-	\$27,452	-	-	\$15,373
FY 2018	-\$1,141,638	-	-	\$20,936	-	-	\$7,690
FY 2019	-\$1,176,882	-	-	\$8,321	-	-	\$2,182

Scenario 4: Increase Level of Municipal Contributions

As mentioned earlier, an alternative to offset the deficit SCAT will be facing starting FY 2011 would be to ask the 11 cities receiving bus service today (shown in **Figure 4.1**) to contribute their fair share of operating dollars based on the level of service hours SCAT provides them relative to the share of the total population each route serves. As an alternative to farebox revenue increases and service cuts, a scenario was then evaluated to estimate the impact Brevard’s municipal contributions would have in SCAT’s operational budget.

To calculate the municipal share of service hours, the total service hours per route (based on FY 2009 service hours per route provided by SCAT) were summarized. Next, U.S. Census 2008 population estimates for Brevard County (including its cities and unincorporated areas) were used to calculate the total service hours per route weighted by the share of each city’s population per route. SCAT’s fixed-route reported operating cost per hour for FY 2008 (\$73.59 per hour as reported to the National Transit Database Report Year 2008) was then applied to determine what will be the county’s and each city’s contribution to SCAT’s operational expenses (see **Table A.8** in the Appendix for the complete analysis worksheet).

Allocating the operating cost to cities and the county using based on service hours relative to population size will result in \$5 million in contributions to SCAT operations. This amount will certainly balance SCAT’s operating budget for the foreseeable future. It is understandable that asking cities to contribute their full share to cover operating costs would be difficult to program and absorb. However, as mentioned earlier in this chapter, Lee Tran provides a clear

example of how one of its cities partnered with the transit agency to offset the service costs of a route that otherwise would have been cut. This represents a model for SCAT if the municipalities are willing to financially supplement SCAT's existing level of service. Thus, city contributions of one-fifth or 20 percent of their full share of operating costs could generate about \$1 million which will erase SCAT's expected operating funding shortfall through FY 2015 if the cities contribute the same amount each year. **Table 4.10** shows the total contributions by city including unincorporated Brevard County. It also shows the one-fifth share of the total contribution which represents a decent amount of revenue that will help balance SCAT's operational budget until FY 2015. See **Table A.9** in the Appendix for the complete analysis worksheet.

Table 4.10 Level of Municipal Contributions

Cities	Routes	Population	Service Hours ¹	Full Contribution	20% of Full Contribution
Cape Canaveral	9	10,147	344	\$25,343	\$3,620
Cocoa	1	16,478	3,600	\$264,910	\$52,982
Cocoa Beach	4, 7, 9	11,920	1,193	\$87,824	\$17,565
Indialantic	26	2,931	27	\$1,983	\$397
Indian Harbor Beach	26	8,311	76	\$5,623	\$1,125
Melbourne	1, 21, 24, 25, 26, 27, 28	77,351	17,159	\$1,262,744	\$252,549
Palm Bay	22, 23, 25, 27	100,786	9,732	\$716,160	\$143,232
Rockledge	1, 6	24,747	4,623	\$340,243	\$68,049
Titusville	1, 2, 5	44,756	4,099	\$301,659	\$60,332
Satellite Beach	26	11,762	108	\$7,958	\$1,592
West Melbourne	23, 24, 25, 27, 28	15,328	2,196	\$161,633	\$32,327
Unincorporated Areas	1, 3, 4, 5, 9, 26	201,690	25,069	\$1,844,810	\$368,962
SCAT Service Area		526,207	68,228	\$5,020,890	\$1,004,178

¹ Service Hours represent the total service hours per city relative to the city's population size.

Figure 4.1 SCAT System Map – Routes and Cities Served



Scenario 5: Increase Level of Local Operating Assistance

Recognizing that no State or Federal opportunities have been identified to capture more operating revenue for SCAT in the short term, another scenario was investigated to find how much additional local operating assistance (LOA) from Brevard County is needed to balance SCAT’s finances. This scenario shows some “order of magnitude” calculations to determine by what percentage the LOA would have to be increased to make sure the deficits through 2019 are erased. Increases of 25, 50 and 75 percent were tested. It was determined that an “order of magnitude” increase of 75 percent or \$2,747,462 would be necessary to ensure no budget deficit through FY 2019. This number over represents the actual annual increase to the LOA because SCAT deficit grows every year and the ten-year budget projections assumes a fixed amount of LOA. Therefore, to ensure a budget surplus in the out years, the LOA would need to increase from \$1,569,978 to \$2,747,462 or by 75 percent. If SCAT was allowed to carry forward the complete amount (100 percent) of any operating surpluses in the future, the LOA increase does not have to be so severe in the early years and it could increase gradually instead of a set amount each year.

Table 4.11 summarizes the impact each LOA “order of magnitude” increase has in balancing SCAT’s budget assuming the LOA remains constant. Increasing the LOA from \$1,569,978 to \$1,962,473 or 25 percent will only balance SCAT’s budget for next fiscal year. Increasing the LOA fifty percent or to \$2,354,967 will balance SCAT’s budget until FY 2015. However, increasing LOA to \$2,747,462 or 75 percent will balance SCAT’s budget for the next ten years. See Tables A.10, A.11 and A.12 in the Appendix for the complete analysis worksheets.

Table 4.11 Local Operating Assistance “Order of Magnitude” Increase Scenario

Funding Scenarios	Baseline		25% Increase		50% Increase		75% Increase	
	LOA	Surplus/Deficit	LOA	Surplus/Deficit	LOA	Surplus/Deficit	LOA	Surplus/Deficit
FY 2010	\$1,569,978	\$0	\$1,569,978	\$0	\$1,569,978	\$0	\$1,569,978	\$0
FY 2011	\$1,569,978	-\$108,118	\$1,962,473	\$284,376	\$2,354,967	\$676,871	\$2,747,462	\$1,069,365
FY 2012	\$1,569,978	-\$588,219	\$1,962,473	-\$195,724	\$2,354,967	\$196,770	\$2,747,462	\$589,265
FY 2013	\$1,569,978	-\$572,664	\$1,962,473	-\$180,169	\$2,354,967	\$212,325	\$2,747,462	\$604,820
FY 2014	\$1,569,978	-\$648,932	\$1,962,473	-\$256,438	\$2,354,967	\$136,057	\$2,747,462	\$528,551
FY 2015	\$1,569,978	-\$728,666	\$1,962,473	-\$336,172	\$2,354,967	\$56,323	\$2,747,462	\$448,817
FY 2016	\$1,569,978	-\$1,067,425	\$1,962,473	-\$674,931	\$2,354,967	-\$282,436	\$2,747,462	\$110,058
FY 2017	\$1,569,978	-\$1,105,116	\$1,962,473	-\$712,622	\$2,354,967	-\$320,127	\$2,747,462	\$72,367
FY 2018	\$1,569,978	-\$1,141,638	\$1,962,473	-\$749,143	\$2,354,967	-\$356,649	\$2,747,462	\$35,846
FY 2019	\$1,569,978	-\$1,176,882	\$1,962,473	-\$784,388	\$2,354,967	-\$391,893	\$2,747,462	\$601

Another strategy to offset SCAT’s operational deficit is to gradually increase the LOA every year just the amount necessary to balance SCAT’s budget (no surplus or deficit). In other words, the County has to gradually increase the current contribution of \$1,569,978 every year. To offset the deficit in FY 2011, the LOA

has to increase to \$1,678,096 or seven percent from the previous year. At the end, the current level of LOA will have to increase 75 percent or to \$2,747,462 to offset the budget deficit in FY 2019, as indicated earlier. **Table 4.12** summarizes how much the LOA has to increase to offset SCAT's deficit every year. See **Table A.13** in the Appendix for the complete analysis worksheet.

Table 4.12 Local Operating Assistance Gradual Increase Scenario

Funding Scenario	Baseline		Gradual Increase		
	LOA	Surplus/Deficit	LOA	% change from FY2010	Surplus/Deficit
FY 2010	\$1,569,978	\$0	\$1,569,978	-	\$0
FY 2011	\$1,569,978	-\$108,118	\$1,678,096	7%	\$0
FY 2012	\$1,569,978	-\$588,219	\$2,158,197	37%	\$0
FY 2013	\$1,569,978	-\$572,664	\$2,142,642	36%	\$0
FY 2014	\$1,569,978	-\$648,932	\$2,218,910	41%	\$0
FY 2015	\$1,569,978	-\$728,666	\$2,298,644	46%	\$0
FY 2016	\$1,569,978	-\$1,067,425	\$2,637,403	68%	\$0
FY 2017	\$1,569,978	-\$1,105,116	\$2,675,094	70%	\$0
FY 2018	\$1,569,978	-\$1,141,638	\$2,711,616	73%	\$0
FY 2019	\$1,569,978	-\$1,176,882	\$2,746,860	75%	\$0

In today's difficult economic times and shrinking tax rolls, the ability of Brevard County to increase its contribution to the LOA is doubtful. As part of Scenario 6 and 7, a series of local option tax forecasts were generated to determine how much of an increase in the county's local option sales and fuel taxes would be needed to fund the transit deficit.

Scenario 6: Levy Local Option Sales Tax

Brevard County is authorized to levy the Charter County Transportation System Surtax (CCTSS), a local option sales tax up to one full penny or one percent, to fund transit operations and capital expenses. Like all local option sales taxes in Florida, countywide referendum is required to adopt any of them. Usually, counties seek a half of one cent or a full penny sales tax increase for transportation purposes. If Brevard County imposes a half penny of the CCTSS, the FLCIR estimates \$27,888,184 would be generated in FY 2010. This FY 2010 estimate was then projected to 2019 based on historic annual growth rate of validated tax receipts distributions obtained from the Florida Department of Revenue. This represents a substantial revenue stream for Brevard County that could be earmarked and leveraged for transportation projects throughout the County, including a dedicated revenue stream for SCAT's operating expenditures. If the County dedicates one tenth (1/10) of the tax revenue generated by the half penny CCTSS or ten percent of the total revenue generated by this half penny sales tax, the operating deficit of SCAT would be resolved and significant surplus would be available for capital investments and service

expansions. It is important to state again that this tax has to be approved by countywide referendum and may be unlikely that voters of Brevard County would vote to levy this tax against themselves.

It is important to note that if the sales tax is levied and SCAT receives a dedicated one tenth (1/10) portion of the tax revenue generated, then revenues from the County General Fund would no longer be required. . SCAT would be able to cover its operational expenses without County General Fund revenues.

Table 4.13 shows the estimated tax revenue at different levies of the Charter County Transportation System Surtax, including a one full penny, a half-penny and ten percent of the half-penny sales tax increase. This will show the substantial amount this sales surtax can generate and the impact of just ten percent of a half-penny sales tax can have if designated as a dedicated funding source for SCAT’s operational costs. See **Table A.14** in the Appendix for the complete analysis worksheet.

Table 4.13 Local Option Sales Surtax Scenario (Charter County Transportation System Surtax)

Funding Scenarios	Baseline	Full Penny Sales Tax		Half Penny Sales Tax		10% of Half Penny Sales Tax	
	Surplus/ Deficit	Tax Revenue	Surplus/ Deficit	Tax Revenue	Surplus/ Deficit	Tax Revenue	Surplus/ Deficit
FY 2010	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2011	-\$108,118	\$58,190,610	\$57,630,307	\$29,095,305	\$28,535,002	\$2,909,530	\$2,349,227
FY 2012	-\$588,219	\$59,436,640	\$58,529,040	\$29,718,320	\$28,810,720	\$2,971,832	\$2,064,231
FY 2013	-\$572,664	\$60,709,352	\$59,823,510	\$30,354,676	\$29,468,834	\$3,035,468	\$2,149,626
FY 2014	-\$648,932	\$62,009,316	\$61,047,206	\$31,004,658	\$30,042,548	\$3,100,466	\$2,138,356
FY 2015	-\$728,666	\$63,337,116	\$62,336,680	\$31,668,558	\$30,668,122	\$3,166,856	\$2,166,420
FY 2016	-\$1,067,425	\$64,693,348	\$63,655,000	\$32,346,674	\$31,308,326	\$3,234,667	\$2,196,319
FY 2017	-\$1,105,116	\$66,078,620	\$65,003,454	\$33,039,310	\$31,964,144	\$3,303,931	\$2,228,764
FY 2018	-\$1,141,638	\$67,493,556	\$66,382,767	\$33,746,778	\$32,635,989	\$3,374,678	\$2,263,888
FY 2019	-\$1,176,882	\$68,938,790	\$67,793,681	\$34,469,395	\$33,324,286	\$3,446,939	\$2,301,831

Scenario 7: Levy Local Option Fuel Tax

All counties in Florida can levy up to 12 cents per motor fuel gallon with three local option fuel taxes. These are the Ninth-Cent Fuel Tax, the 1 to 6 Cent Fuel Tax and the 1 to 5 Cent Fuel Tax. Only the Ninth-Cent Fuel Tax and the 1 to 6 Cent Fuel Tax can be levied to cover transit operation costs. Brevard County currently levies the full six cents per gallon of the 1 to 6 Cent Fuel Tax. However, it still has the capacity to levy the Ninth-Cent Fuel Tax or a one cent per gallon increase in their county fuel tax to cover transit operation costs. The Ninth-Cent Fuel Tax may be adopted by an extraordinary vote of the County Commissioners or by voter approval in a countywide referendum. Brevard County also has the capacity to levy up to five cents per gallon of the 1 to 5 Cent Fuel Tax, but tax revenue generated by this tax has to be used for capital investments only, not operations. Therefore, the imposition of the Ninth-Cent Fuel Tax as a dedicated

transit funding source for SCAT, if approved by the Board of County Commissioners for FY 2011, represents a short-term funding solution to SCAT's unbalanced budget.

Revenue estimates for FY 2010 produced by The Florida Legislative Committee on Intergovernmental Relations (FLCIR) in their 2009 Local Government Financial Information Guidebook were obtained to estimate the tax revenue expected from the different local option taxes. Brevard County can impose the Ninth-Cent Fuel Tax and it can generate an estimated \$2,231,647 in FY 2010 to be used in transportation expenses including transit operations.¹² This FY 2010 estimate was then projected to 2019 based on historic annual growth rate of motor fuel tax distributions obtained from the Florida Department of Revenue. Only half of the tax revenue estimated would be needed to balance SCAT's budget in the next ten years. Therefore, the County can levy this one cent tax and use one half of the tax revenue to fund other transportation projects throughout the County and the other half can be designated as a dedicated revenue stream for SCAT's operating expenditures.¹³

It is important to note that if the entire penny of the fuel tax is dedicated to SCAT, it would nearly eliminate the need to use Brevard County general revenues to assist SCAT's operating expenses.

Table 4.14 shows how much estimated tax revenue will be generated by the imposition of the Ninth-Cent Fuel Tax. If the total tax revenue generated by the increase of one cent per motor fuel gallon was dedicated for SCAT's operating expenses, over \$1 million dollars will be available in surplus every year. However, the County could designate just half of the tax revenues collected by the Ninth-Cent Fuel Tax to SCAT's operations and use the other half to fund other transportation expenditures across the County. In that case, SCAT's surplus would fluctuate between over \$500,000 to \$10,000. See **Table A.15** in the Appendix for the complete analysis worksheet.

¹² Transportation expenditures authorized F.S. Section 336.025(7) include public transportation operations and maintenance, roadway and right-of-way maintenance and drainage, bridge maintenance and operation, debt service and capital expenditures, street lighting, traffic signs, traffic engineering signalization and pavement markings.

¹³ Counties can only levy full cent local option fuel taxes. Therefore, Brevard County can increase its motor fuel tax by one cent per gallon and distribute 50-50 the tax revenue generated by that penny between SCAT and other transportation expenses in the County.

Table 4.14 Local Option Fuel Tax Scenario (Ninth-Cent Fuel Tax)

Funding Scenario	Full Ninth-Cent Fuel Tax		Half Ninth-Cent Fuel Tax	
	Tax Revenue	Surplus/Deficit	Tax Revenue	Surplus/Deficit
FY 2010	\$0	\$0	\$0	\$0
FY 2011	\$2,231,647	\$1,671,344	\$1,115,824	\$555,520
FY 2012	\$2,241,479	\$1,333,878	\$1,120,739	\$213,139
FY 2013	\$2,251,354	\$1,365,512	\$1,125,677	\$239,835
FY 2014	\$2,261,273	\$1,299,163	\$1,130,636	\$168,526
FY 2015	\$2,271,235	\$1,270,799	\$1,135,618	\$135,182
FY 2016	\$2,281,241	\$1,242,893	\$1,140,621	\$102,273
FY 2017	\$2,291,292	\$1,216,125	\$1,145,646	\$70,479
FY 2018	\$2,301,386	\$1,190,597	\$1,150,693	\$39,904
FY 2019	\$2,311,526	\$1,166,417	\$1,155,763	\$10,654

In summary, the combination of tools or scenarios presented here provide SCAT with different options to balance its ten-year projected budget. All represent short and mid-term funding solutions to SCAT's financial picture. It is important to note that SCAT would greatly benefit with the ability to roll 100 percent of operating surpluses since it can provide them with an additional tool to help meet cyclical fluctuations in operating revenue.

5.0 Key Findings and Short-Term Funding Recommendations

5.1 SUMMARY OF KEY FINDINGS

SCAT is in a fiscal position where transit operating expenditures will exceed revenues in the coming fiscal year, similar to many transit agencies in Florida and across the nation. A financial review was conducted of SCAT's revenue forecasts that identified shortcomings in its primary funding sources; property and gasoline tax revenues accrued from Brevard County's general fund. As a result, SCAT has been forced to explore additional ways to raise operating revenue beyond the general revenue funds and taxes they currently rely on.

SCAT Financial Review

- **Operating revenues vary largely year to year due to economic indicators and changes in funding levels from federal, state, and local programs and contributions.** One issue that SCAT has faced in budgeting has dealt with the influx of gas prices; in 2008 prices were \$3.30 a gallon and a year later were \$2.44 a gallon which led to lower operational and maintenance expenses. Another issue in FY 2009 occurred with the expiration and reduction of various grant programs funded by the federal and state governments. Another challenge SCAT faced in FY 2009 was with the decreased local operating assistance from Brevard County; LOA is not a stable dedicated amount and varies based on property and gas tax revenues collected during any given year.
- **SCAT's ten year budget paints an alarming financial picture for the transit agency.** Given the projections, SCAT's expenditures will exceed the expected revenues, and will require additional funding sources by FY 2011. Beginning next fiscal year, SCAT is expecting a deficit of \$110,118 which will continue to grow to \$1,176,881 by FY 2019. SCAT will not have enough revenue to continue operating its transit system at current service levels unless SCAT taps into new funding sources.
- **SCAT does not always have the ability to carry forward the complete amount of surplus for the following fiscal year.** When SCAT ends up the year with a surplus, SCAT has to negotiate with the County during the budget process the amount of surplus it can carry forward. In FY 2009, SCAT's surplus or Balance Forward was \$578,328 of which only \$216,421 SCAT was allowed to keep for FY 2010. Therefore, keeping as much balance forward as possible will provide SCAT with additional revenue to offset projected and future budget deficits.

Peer Systems Analysis

- **Most of SCAT peer systems face similar operating funding challenges.** Their operating assistance largely comes from general revenue funds which primarily come from property taxes and gas taxes collected county or city-wide. These tax revenues have been severely impacted by Florida's current economic situation. SCAT is not alone in evaluating alternative funding sources to general revenue funds.
- **Even those peers with dedicated transit funding, mainly from ad valorem taxes, are facing revenue shortfalls to cover operating expenses.** Some peer transit systems are studying the feasibility of conducting a referendum to raise the ad valorem tax to ensure an additional dedicated funding source. Others are forming coalitions to rally the political support necessary to levy taxes in their counties to support transit operations.
- **Some peer transit systems receive revenues from local municipalities and private entities.** These transit agencies have established partnerships with their cities and/or universities in their service area based on the transit service SCAT provides them (i.e. beach trolley service, university shuttles, etc.). Usually the cost of providing these services are shared by the city or university and SCAT based on the amount of service provided. These partnerships represent an additional local funding source for these peer transit systems.
- **Share of local funding received by SCAT is among the least compared to its peer systems.** When compared with its peers, SCAT's share of local funding is less than all but two of its peers. As a county-operated transit system it is highly dependant on the fluctuations of the County's finances and therefore, it is heavily impacted when the County is also expecting a deficit. Potential operating funding sources need to be reviewed to determine what local funding alternatives could provide assistance to SCAT.

Alternative Funding Options and Scenarios

- **Federal, state and local funding options identified are limited or already used by SCAT.** A review of potential federal or state sources of additional operating revenue determined there were no additional sources of operating revenue not already identified and used by SCAT. Most transit agencies within the State rely heavily on local operating assistance coming from county governments, typically through their general fund. Some transit agencies have dedicated funding for operating revenues and some also receive operating revenues from cities or private entities within their service area. SCAT should study the case where all cities in its service area contribute their fair share of the cost of the transit service provided.
- **A comprehensive list of potential financing options was identified based on state and national case studies, but these are more long-term solutions.** Some of the financing options identified go beyond simply funding transit

operations and could also be utilized for funding transit capital costs and even general transportation projects countywide. Non-traditional and innovative financing mechanisms were also included but it is recognized that their potential application to SCAT is low in the short term given they are either relatively new or never have been implemented in the state or the county.

- **Multiple farebox increases or service cuts would be needed to balance SCAT finances.** The projected ten-year deficit estimates an increasing deficit that grows abruptly when funding from several state and federal program decreases or ends. As a result, to solve the operating revenue shortfall with a farebox increase or service cuts, it will require significant increases in farebox revenue or noteworthy cuts in service in FY 2011, 2012, 2015, and 2016.
- **Municipal contributions represent an additional funding source.** An alternative would be to ask those cities receiving service today to contribute their fair share based on the level of service SCAT provides them. A contribution of one-fifth of the cities' fair share based on the level of service provided would resolve SCAT's operating revenue shortfall.
- **Brevard County could increase their level of local operating assistance or levy a local option sales or fuel tax.** To bridge the financial gap through traditional means would require asking Brevard County to come up with that money via its general fund or convincing Brevard County voters to levy an additional sales tax or increase the fuel tax upon themselves. The county may not have the funds necessary to increase its assistance to SCAT and increasing the local option sales or fuel tax may not be politically accepted by Brevard County citizens.
- **SCAT finances will greatly benefit with the ability to roll over 100 percent of operating surpluses.** Allowing SCAT to carry forward any surplus can provide them with an additional tool to help meet cyclical fluctuations in operating revenue. Any surplus SCAT ends up with at the end of each fiscal year could be saved as reserves, which could be tapped into when funding is not enough to balance the budget.

5.2 SHORT-TERM FUNDING RECOMMENDATIONS

The key findings summarized above highlight SCAT's pressing need to identify a short-term funding solution in order to be able to balance its budget in the next ten years. During these tough economic times, the situation does not present itself for SCAT to consider cutting necessary transit services to the most vulnerable part of Brevard County's communities who rely on SCAT transit services to access their employment. Likewise, raising fares on SCAT's fixed-route users at this time would be a difficult choice given the most vulnerable transit riders would be the most impacted.

Increasing farebox revenue, cutting service hours and a combination of the two presented in Scenarios 1, 2 and 3 do not reflect more realistic revenue decreases that will likely occur from SCAT's riders decreased demand due to loss of service that reduces the value of the transit network in the projected ten-year period.

In addition, Brevard County's tax revenue streams are shrinking. Currently, the majority of municipalities served by SCAT do not contribute financially to cover SCAT's operational expenses for the service provided in their cities. During this tough economic climate it may be difficult to ask the city governments to allocate money for SCAT operations (Scenario 4). Also, At the same time, based on current levels of funding, it would also be very difficult for Brevard County government to contribute additional local funds to SCAT while they are cutting other government services currently benefiting their citizens (Scenario 5).

Previous unsuccessful attempts to levy a discretionary sales surtax in Brevard County indicate there is little appetite among Brevard County voters to increase the discretionary sales surtax to cover transit operational expenses (Scenario 6). The other short-term funding option available is for Brevard County to levy the Ninth-Cent Fuel Tax (Scenario 7), which adds a penny to the gallon of motor fuel, after a supermajority vote of the County Commissioners or voter approval in a countywide referendum. SCAT operating shortfall would be erased and Brevard County would have additional monies for other transportation projects and investments if this tax is levied.

It is recommended that Brevard County levy the Ninth-Cent Fuel Tax in the upcoming months and dedicate half of its revenue to SCAT. This will generate enough revenue to cover SCAT's operational expenses in the next ten years. Otherwise, SCAT will be forced to identify ways of reducing operating expenses through service cuts and/or fare increases that will reduce the level of transit service it currently provides to the residents and visitors of Brevard County. It is recognized that as transit services become scarce and more expensive and focused at the same time it will further reduce the revenue generated by its transit service.

Appendix

Funding Scenario Worksheets

Table A.1 Baseline Scenario (SCAT FY2010-2019 Projected Budget)

Assumptions ¹

Percent of Fixed Route Operations Expenses	59%
Percent of Demand Response Operation Expenses	41%
Operating Expenses CAGR	2.00%

Percent of Fixed Route Farebox Revenue	68%
Percent of Demand Response Farebox Revenue	32%
Farebox Revenue CAGR	4.10%

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$4,072,672	\$4,154,126	\$4,237,208	\$4,321,952	\$4,408,391	\$4,496,559	\$4,586,490	\$4,678,220	\$4,771,785
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$684,475	\$712,069	\$740,910	\$771,058	\$802,575	\$835,527	\$869,983	\$906,016	\$943,701
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,938,755	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
Sub-total Operating Revenue	\$6,912,268	\$6,553,371	\$6,212,270	\$6,369,604	\$6,437,950	\$6,505,723	\$6,317,421	\$6,433,196	\$6,553,210	\$6,677,632
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,826,404	\$11,643,493	\$11,791,278	\$11,849,790	\$11,907,434	\$11,708,698	\$11,813,727	\$11,922,672	\$12,035,693

TOTAL SURPLUS/DEFICIT	\$0	-\$108,118	-\$588,219	-\$572,664	-\$648,932	-\$728,666	-\$1,067,425	-\$1,105,116	-\$1,141,638	-\$1,176,882
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ANNUAL SERVICE HOURS ²	78,572	80,143	81,746	83,381	85,049	86,750	88,485	90,255	92,060	93,901
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

² Fixed Route service hours in FY 2010 were provided by SCAT. Service hours for FY 2011-2019 were estimated based on the operational expenses CAGR assumed in SCAT ten-year projected budget.

Table A.2 Farebox Increase Scenario with Balance Forward

Assumptions ¹		Inputs:	
Percent of Fixed Route Operations Expenses	59%	Farebox Increase FY11	16%
Percent of Demand Response Operation Expenses	41%	Farebox Increase FY12	58%
Operating Expenses CAGR	2.00%	Farebox Increase FY15	2%
		Farebox Increase FY16	22%
Percent of Fixed Route Farebox Revenue	68%		
Percent of Demand Response Farebox Revenue	32%		
Farebox Revenue CAGR	4.10%		

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$4,072,672	\$4,154,126	\$4,237,208	\$4,321,952	\$4,408,391	\$4,496,559	\$4,586,490	\$4,678,220	\$4,771,785
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$793,991	\$1,305,080	\$1,357,940	\$1,413,194	\$1,500,378	\$1,905,616	\$1,984,202	\$2,066,383	\$2,152,333
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,360,427	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
BALANCE FORWARD	\$578,328	\$0	\$1,398	\$6,190	\$50,556	\$43,761	\$12,898	\$15,562	\$24,665	\$43,394
Sub-total Operating Revenue	\$6,912,268	\$6,662,887	\$6,805,281	\$6,986,633	\$7,080,087	\$7,203,526	\$7,387,510	\$7,547,415	\$7,713,577	\$7,886,264
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,935,920	\$12,237,902	\$12,414,498	\$12,542,483	\$12,648,998	\$12,791,685	\$12,943,508	\$13,107,704	\$13,287,719

TOTAL SURPLUS/DEFICIT	\$0	\$1,398	\$6,190	\$50,556	\$43,761	\$12,898	\$15,562	\$24,665	\$43,394	\$75,144
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

Table A.3 Farebox Increase Scenario without Balance Forward

Assumptions ¹		Inputs:	
Percent of Fixed Route Operations Expenses	59%	Farebox Increase FY11	16%
Percent of Demand Response Operation Expenses	41%	Farebox Increase FY12	58%
Operating Expenses CAGR	2.00%	Farebox Increase FY14	0.5%
Percent of Fixed Route Farebox Revenue	68%	Farebox Increase FY15	4%
Percent of Demand Response Farebox Revenue	32%	Farebox Increase FY16	19%
Farebox Revenue CAGR	4.10%		

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$4,072,672	\$4,154,126	\$4,237,208	\$4,321,952	\$4,408,391	\$4,496,559	\$4,586,490	\$4,678,220	\$4,771,785
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$793,991	\$1,305,080	\$1,357,940	\$1,420,260	\$1,537,446	\$1,904,679	\$1,983,226	\$2,065,367	\$2,151,274
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,360,427	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
BALANCE FORWARD	\$578,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total Operating Revenue	\$6,912,268	\$6,662,887	\$6,805,281	\$6,986,633	\$7,087,153	\$7,240,594	\$7,386,573	\$7,546,439	\$7,712,561	\$7,885,205
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,935,920	\$12,236,504	\$12,408,308	\$12,498,993	\$12,642,305	\$12,777,850	\$12,926,970	\$13,082,023	\$13,243,266

TOTAL SURPLUS/DEFICIT	\$0	\$1,398	\$4,792	\$44,366	\$271	\$6,205	\$1,727	\$8,127	\$17,713	\$30,691
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

Table A.4 Service Cuts Scenario with Balance Forward

Assumptions ¹		Inputs:	
Percent of Fixed Route Operations Expenses	59%	Service Hours Cut FY11	3%
Percent of Demand Response Operation Expenses	41%	Service Hours Cut FY12	12%
Operating Expenses CAGR	2.00%	Service Hours Cut FY15	1%
		Service Hours Cut FY16	10%
Percent of Fixed Route Farebox Revenue	68%		
Percent of Demand Response Farebox Revenue	32%		
Farebox Revenue CAGR	4.10%		

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$4,072,672	\$4,154,126	\$4,237,208	\$4,321,952	\$4,408,391	\$4,496,559	\$4,586,490	\$4,678,220	\$4,771,785
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$684,475	\$712,069	\$740,910	\$771,058	\$802,575	\$835,527	\$869,983	\$906,016	\$943,701
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,360,427	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
BALANCE FORWARD	\$578,328	\$0	\$14,062	\$34,007	\$81,671	\$65,472	\$19,825	\$29,066	\$22,150	\$677
Sub-total Operating Revenue	\$6,912,268	\$6,553,371	\$6,212,270	\$6,369,604	\$6,437,950	\$6,505,723	\$6,317,421	\$6,433,196	\$6,553,210	\$6,677,632
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,826,404	\$11,657,555	\$11,825,286	\$11,931,461	\$11,972,906	\$11,728,523	\$11,842,793	\$11,944,823	\$12,036,370

TOTAL SURPLUS/DEFICIT	\$0	\$14,062	\$34,007	\$81,671	\$65,472	\$19,825	\$29,066	\$22,150	\$677	-\$33,637
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ANNUAL SERVICE HOURS ²	78,572	77,739	69,779	71,174	72,598	73,309	67,298	68,644	70,017	71,417
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

² Fixed Route service hours in FY 2010 were provided by SCAT. Service hours for FY 2011-2019 were adjusted based on the percentage of service cuts and the operational expenses CAGR assumed in SCAT ten-year projected budget.

Table A.5 Service Cuts Scenario without Balance Forward

Assumptions ¹		Inputs:	
Percent of Fixed Route Operations Expenses	59%	Service Hours Cut FY11	3%
Percent of Demand Response Operation Expenses	41%	Service Hours Cut FY12	12%
Operating Expenses CAGR	2.00%	Service Hours Cut FY14	1%
		Service Hours Cut FY15	2%
Percent of Fixed Route Farebox Revenue	68%	Service Hours Cut FY16	10%
Percent of Demand Response Farebox Revenue	32%		
Farebox Revenue CAGR	4.10%		

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$3,950,492	\$3,545,962	\$3,616,881	\$3,652,326	\$3,650,865	\$3,351,494	\$3,418,524	\$3,486,895	\$3,556,633
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,812,342	\$11,623,547	\$11,743,615	\$11,829,096	\$11,878,574	\$11,631,059	\$11,750,877	\$11,872,984	\$11,997,423

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$684,475	\$712,069	\$740,910	\$771,058	\$802,575	\$835,527	\$869,983	\$906,016	\$943,701
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,360,427	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
BALANCE FORWARD	\$578,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total Operating Revenue	\$6,912,268	\$6,553,371	\$6,212,270	\$6,369,604	\$6,437,950	\$6,505,723	\$6,317,421	\$6,433,196	\$6,553,210	\$6,677,632
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,826,404	\$11,643,493	\$11,791,278	\$11,849,790	\$11,907,434	\$11,708,698	\$11,813,727	\$11,922,672	\$12,035,693

TOTAL SURPLUS/DEFICIT	\$0	\$14,062	\$19,945	\$47,663	\$20,694	\$28,860	\$77,639	\$62,850	\$49,688	\$38,270
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ANNUAL SERVICE HOURS ²	78,572	77,739	69,779	71,174	71,872	71,843	65,952	67,271	68,616	69,989
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

² Fixed Route service hours in FY 2010 were provided by SCAT. Service hours for FY 2011-2019 were adjusted based on the percentage of service cuts and the operational expenses CAGR assumed in SCAT ten-year projected budget.

Table A.6 Farebox Increase and Service Cuts Scenario with Balance Forward

Assumptions ¹		Farebox Increase Inputs:		Service Cuts Inputs:	
Percent of Fixed Route Operations Expenses	59%	Farebox Increase FY11	5%	Service Cuts FY11	2%
Percent of Demand Response Operation Expenses	41%	Farebox Increase FY12	9%	Service Cuts FY12	10%
Operating Expenses CAGR	2.00%	Farebox Increase FY15	1%	Service Cuts FY15	2%
		Farebox Increase FY16	15%	Service Cuts FY16	5%
Percent of Fixed Route Farebox Revenue	68%				
Percent of Demand Response Farebox Revenue	32%				
Farebox Revenue CAGR	4.10%				

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$3,991,219	\$3,663,939	\$3,737,218	\$3,811,962	\$3,810,437	\$3,692,314	\$3,766,160	\$3,841,483	\$3,918,313
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,853,069	\$11,741,525	\$11,863,952	\$11,988,732	\$12,038,146	\$11,971,878	\$12,098,513	\$12,227,573	\$12,359,103

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$718,699	\$814,963	\$847,971	\$882,475	\$927,732	\$1,110,696	\$1,156,500	\$1,204,400	\$1,254,496
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,360,427	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
BALANCE FORWARD	\$578,328	\$0	\$7,559	\$12,421	\$46,809	\$19,285	\$13,731	\$25,721	\$27,452	\$20,936
Sub-total Operating Revenue	\$6,912,268	\$6,587,595	\$6,315,164	\$6,476,665	\$6,549,368	\$6,630,880	\$6,592,590	\$6,719,713	\$6,851,594	\$6,988,427
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,860,628	\$11,746,387	\$11,898,340	\$11,961,208	\$12,032,591	\$11,983,868	\$12,100,244	\$12,221,056	\$12,346,488

TOTAL SURPLUS/DEFICIT	\$0	\$7,559	\$12,421	\$46,809	\$19,285	\$13,731	\$25,721	\$27,452	\$20,936	\$8,321
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ANNUAL SERVICE HOURS ²	78,572	78,541	72,100	73,542	75,013	74,983	72,659	74,112	75,594	77,106
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

² Fixed Route service hours in FY 2010 were provided by SCAT. Service hours for FY 2011-2019 were adjusted based on the percentage of service cuts and the operational expenses CAGR assumed in SCAT ten-year projected budget.

Table A.7 Farebox Increase and Service Cuts Scenario without Balance Forward

Assumptions ¹		Farebox Increase Inputs:		Service Cuts Inputs:	
Percent of Fixed Route Operations Expenses	59%	Farebox Increase FY11	5%	Service Cuts FY11	2%
Percent of Demand Response Operation Expenses	41%	Farebox Increase FY12	9%	Service Cuts FY12	10%
Operating Expenses CAGR	2.00%	Farebox Increase FY14	4%	Service Cuts FY15	2%
Percent of Fixed Route Farebox Revenue	68%	Farebox Increase FY16	13%	Service Cuts FY16	5%
Percent of Demand Response Farebox Revenue	32%				
Farebox Revenue CAGR	4.10%				

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE OPERATIONS	\$3,992,816	\$3,991,219	\$3,663,939	\$3,737,218	\$3,811,962	\$3,810,437	\$3,692,314	\$3,766,160	\$3,841,483	\$3,918,313
DEMAND RESPONSE OPERATIONS	\$2,820,863	\$2,877,280	\$2,934,826	\$2,993,522	\$3,053,393	\$3,114,461	\$3,176,750	\$3,240,285	\$3,305,091	\$3,371,193
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,853,069	\$11,741,525	\$11,863,952	\$11,988,732	\$12,038,146	\$11,971,878	\$12,098,513	\$12,227,573	\$12,359,103

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
FIXED ROUTE FAREBOX	\$661,989	\$718,699	\$814,963	\$847,971	\$917,774	\$955,288	\$1,123,797	\$1,170,141	\$1,218,606	\$1,269,293
DEMAND RESPONSE FAREBOX	\$311,524	\$322,106	\$335,091	\$348,663	\$362,851	\$377,682	\$393,189	\$409,404	\$426,360	\$444,094
Non-Farebox Revenue	\$5,360,427	\$5,546,790	\$5,165,110	\$5,280,030	\$5,304,042	\$5,325,466	\$5,088,705	\$5,153,809	\$5,220,834	\$5,289,837
BALANCE FORWARD	\$578,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total Operating Revenue	\$6,912,268	\$6,587,595	\$6,315,164	\$6,476,665	\$6,584,667	\$6,658,437	\$6,605,691	\$6,733,354	\$6,865,801	\$7,003,224
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,860,628	\$11,746,387	\$11,898,340	\$11,996,507	\$12,060,147	\$11,996,968	\$12,113,885	\$12,235,262	\$12,361,285

TOTAL SURPLUS/DEFICIT	\$0	\$7,559	\$4,862	\$34,388	\$7,775	\$22,002	\$25,091	\$15,373	\$7,690	\$2,182
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ANNUAL SERVICE HOURS²	78,572	78,541	72,100	73,542	75,013	74,983	72,659	74,112	75,594	77,106
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¹ Percentages of Fixed Route and Demand Response Operations Expenses and Farebox Revenue were obtained from the National Transit Database RY 2008. CAGR (growth factors) for Operational Expenses and Farebox Revenue were obtained from SCAT's ten-year budget forecast.

² Fixed Route service hours in FY 2010 were provided by SCAT. Service hours for FY 2011-2019 were adjusted based on the percentage of service cuts and the operational expenses CAGR assumed in SCAT ten-year projected budget.

Table A.8 Municipal Contributions Scenario (calculation)

													A	C
Municipality	Cape Cañaveral	Cocoa	Cocoa Beach	Unincorporated Areas	Indialantic	Indian Harbor Beach	Melbourne	Palm Bay	Rockledge	Titusville	Satellite Beach	West Melbourne	Total Service Hours	Total Population per Route
Route 1		5%		55%			21%		7%	12%			11,182	365,022
Route 2	D									100%			2,456	44,756
Route 3				100%									2,586	201,690
Route 4		7%	5%	88%									7,278	230,088
Route 5				82%						18%			1,497	246,446
Route 6		40%							60%				6,439	41,225
Route 7			100%										412	11,920
Route 9	5%		5%	90%									7,594	223,757
Route 21							100%						5,356	77,351
Route 22								100%					2,974	100,786
Route 23								87%				13%	3,545	116,114
Route 24							83%					17%	3,533	92,679
Route 25							40%	52%				8%	3,545	193,465
Route 26				67%	1%	3%	26%				4%		2,777	302,045
Route 27							40%	52%				8%	3,522	193,465
Route 28							83%					17%	3,533	92,679
B	Population Estimates	10,147	16,478	11,920	201,690	2,931	8,311	77,351	100,786	24,747	44,756	11,762	15,328	
E	Service Hours/City	344	3,600	1,193	25,069	27	76	17,159	9,732	4,623	4,099	108	2,196	
F	Contribution	\$25,343	\$264,910	\$87,824	\$1,844,810	\$1,983	\$5,623	\$1,262,744	\$716,160	\$340,243	\$301,659	\$7,958	\$161,633	
	20% of Cont.	\$3,620	\$52,982	\$17,565	\$368,962	\$397	\$1,125	\$252,549	\$143,232	\$68,049	\$60,332	\$1,592	\$32,327	

Assumptions (analytical steps):

- A - Total Service Hours per Route = Total service hours per route based on FY 2009 service hours provided by SCAT.
- B - Population by City = 2008 Estimates of Population for Brevard County including its cities and unincorporated areas.
- C - Total Population by Route = For each route, sum the population of each city that it serves.
- D - Percent of Population by City per Route = Population by City/Total Population by Route = Share of each city's population per route. (D = B/C = percent inside matrix)
- E - Weighted Service Hours per City (weighted by population) = Share of city's population per route * Total service hours per route (E = D*A)
- F - Operating Cost per City (based on service hours weighted by population) = Weighted Service Hours per City * Operating Cost per Hour (F = E * \$73.59)

Table A-9 Municipal Contributions Scenario (effect on budget projections)

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575
REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
MUNICIPAL CONTRIBUTIONS ¹	-	\$1,004,178	\$1,004,178	\$1,004,178	\$1,004,178	\$1,004,178	\$1,004,178	\$1,004,178	\$1,004,178	\$1,004,178
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$5,938,755	\$5,094,605	\$4,845,728	\$4,966,852	\$4,990,864	\$5,053,696	\$5,117,782	\$5,183,759	\$5,251,682	\$5,321,610
Sub-total Operating Revenue	\$6,912,268	\$7,105,364	\$6,897,066	\$7,060,604	\$7,128,950	\$7,238,131	\$7,350,676	\$7,467,324	\$7,588,236	\$7,713,583
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$12,378,397	\$12,328,289	\$12,482,278	\$12,540,790	\$12,639,842	\$12,741,953	\$12,847,854	\$12,957,698	\$13,071,644
TOTAL SURPLUS/DEFICIT	\$0	\$443,875	\$96,577	\$118,336	\$42,068	\$3,742	-\$34,170	-\$70,989	-\$106,611	-\$140,931

¹ This represents 20 percent of the total municipal contributions calculated.

Table A-10 Local Operating Assistance Scenario – 25% “Order of Magnitude” Increase

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
LOA Increase 25%	\$1,569,978	\$1,962,473	\$1,962,473	\$1,962,473	\$1,962,473	\$1,962,473	\$1,962,473	\$1,962,473	\$1,962,473	\$1,962,473
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$4,368,777	\$3,976,812	\$3,595,132	\$3,710,052	\$3,734,064	\$3,755,488	\$3,518,727	\$3,583,831	\$3,650,856	\$3,719,859
Sub-total Operating Revenue	\$6,912,268	\$6,945,866	\$6,604,764	\$6,762,098	\$6,830,445	\$6,898,217	\$6,709,915	\$6,825,691	\$6,945,705	\$7,070,126
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$12,218,899	\$12,035,987	\$12,183,773	\$12,242,285	\$12,299,928	\$12,101,193	\$12,206,221	\$12,315,167	\$12,428,187

TOTAL SURPLUS/DEFICIT	\$0	\$443,875	\$96,577	\$118,336	\$42,068	\$3,742	-\$34,170	-\$70,989	-\$106,611	-\$140,931
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Table A-11 Local Operating Assistance Scenario – 50% “Order of Magnitude” Increase

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
LOA Increase 50%	\$1,569,978	\$2,354,967	\$2,354,967	\$2,354,967	\$2,354,967	\$2,354,967	\$2,354,967	\$2,354,967	\$2,354,967	\$2,354,967
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$4,368,777	\$3,976,812	\$3,595,132	\$3,710,052	\$3,734,064	\$3,755,488	\$3,518,727	\$3,583,831	\$3,650,856	\$3,719,859
Sub-total Operating Revenue	\$6,912,268	\$7,338,360	\$6,997,259	\$7,154,593	\$7,222,939	\$7,290,712	\$7,102,410	\$7,218,185	\$7,338,199	\$7,462,621
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$12,611,393	\$12,428,482	\$12,576,267	\$12,634,779	\$12,692,423	\$12,493,687	\$12,598,716	\$12,707,661	\$12,820,682

TOTAL SURPLUS/DEFICIT	\$0	\$676,871	\$196,770	\$212,325	\$136,057	\$56,323	-\$282,436	-\$320,127	-\$356,649	-\$391,893
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Table A-12 Local Operating Assistance Scenario – 75% “Order of Magnitude” Increase

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
LOA Increase 75%	\$1,569,978	\$2,747,462	\$2,747,462	\$2,747,462	\$2,747,462	\$2,747,462	\$2,747,462	\$2,747,462	\$2,747,462	\$2,747,462
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$4,368,777	\$3,976,812	\$3,595,132	\$3,710,052	\$3,734,064	\$3,755,488	\$3,518,727	\$3,583,831	\$3,650,856	\$3,719,859
Sub-total Operating Revenue	\$6,912,268	\$7,730,855	\$7,389,753	\$7,547,087	\$7,615,434	\$7,683,206	\$7,494,904	\$7,610,680	\$7,730,694	\$7,855,115
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$13,003,888	\$12,820,976	\$12,968,762	\$13,027,274	\$13,084,917	\$12,886,182	\$12,991,210	\$13,100,156	\$13,213,176

TOTAL SURPLUS/DEFICIT	\$0	\$1,069,365	\$589,265	\$604,820	\$528,551	\$448,817	\$110,058	\$72,367	\$35,846	\$601
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Table A-13 Local Operating Assistance Scenario – Gradual Increase

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
LOA Gradual Increase	\$1,569,978	\$1,678,096	\$2,158,197	\$2,142,642	\$2,218,910	\$2,298,644	\$2,637,403	\$2,675,094	\$2,711,616	\$2,746,860
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$4,368,777	\$3,976,812	\$3,595,132	\$3,710,052	\$3,734,064	\$3,755,488	\$3,518,727	\$3,583,831	\$3,650,856	\$3,719,859
Sub-total Operating Revenue	\$6,912,268	\$6,661,489	\$6,800,488	\$6,942,268	\$7,086,882	\$7,234,389	\$7,384,846	\$7,538,312	\$7,694,848	\$7,854,514
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

TOTAL SURPLUS/DEFICIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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% CHANGE TO PROJECTED LOA	-	7%	37%	36%	41%	46%	68%	70%	73%	75%
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Table A-14 Half-Penny Sales Tax Scenario – 10% Dedicated SCAT Contribution

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
10% of Half Penny Sales Tax	-	\$2,909,530	\$2,971,832	\$3,035,468	\$3,100,466	\$3,166,856	\$3,234,667	\$3,303,931	\$3,374,678	\$ 3,446,939
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$4,368,777	\$3,976,812	\$3,595,132	\$3,710,052	\$3,734,064	\$3,755,488	\$3,518,727	\$3,583,831	\$3,650,856	\$3,719,859
Sub-total Operating Revenue	\$6,912,268	\$9,010,717	\$8,864,720	\$9,091,893	\$9,225,238	\$9,400,809	\$9,581,165	\$9,767,077	\$9,958,736	\$10,156,345
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$14,283,750	\$14,295,943	\$14,513,568	\$14,637,078	\$14,802,520	\$14,972,443	\$15,147,607	\$15,328,198	\$15,514,406

TOTAL SURPLUS/DEFICIT	\$0	\$2,349,227	\$2,064,231	\$2,149,626	\$2,138,356	\$2,166,420	\$2,196,319	\$2,228,764	\$2,263,888	\$2,301,831
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Table A-15 Ninth-Cent Fuel Tax Scenario – 50% Dedicated SCAT Contribution

EXPENSES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Labor and Fringe	\$4,859,763	\$4,956,958	\$5,056,097	\$5,157,219	\$5,260,364	\$5,365,571	\$5,472,882	\$5,582,340	\$5,693,987	\$5,807,867
Operations and Maintenance	\$1,953,916	\$1,992,994	\$2,032,854	\$2,073,511	\$2,114,982	\$2,157,281	\$2,200,427	\$2,244,435	\$2,289,324	\$2,335,110
Capital Expenses	\$15,769,515	\$4,984,570	\$5,142,760	\$5,133,212	\$5,123,377	\$5,113,248	\$5,102,814	\$5,092,068	\$5,080,999	\$5,069,598
TOTAL EXPENSES	\$22,583,194	\$11,934,522	\$12,231,711	\$12,363,942	\$12,498,722	\$12,636,100	\$12,776,123	\$12,918,843	\$13,064,310	\$13,212,575

REVENUES	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
50% of Ninth-Cent Fuel Tax	-	\$1,115,824	\$1,120,739	\$1,125,677	\$1,130,636	\$1,135,618	\$1,140,621	\$1,145,646	\$1,150,693	\$1,155,763
Farebox Revenue	\$973,513	\$1,006,581	\$1,047,160	\$1,089,573	\$1,133,908	\$1,180,257	\$1,228,716	\$1,279,387	\$1,332,376	\$1,387,795
Non-Farebox Revenue	\$4,368,777	\$3,976,812	\$3,595,132	\$3,710,052	\$3,734,064	\$3,755,488	\$3,518,727	\$3,583,831	\$3,650,856	\$3,719,859
Sub-total Operating Revenue	\$6,912,268	\$7,217,010	\$7,013,627	\$7,182,103	\$7,255,408	\$7,369,571	\$7,487,119	\$7,608,792	\$7,734,752	\$7,865,168
Sub-total Capital Revenue	\$15,670,926	\$5,273,033	\$5,431,223	\$5,421,675	\$5,411,840	\$5,401,711	\$5,391,277	\$5,380,531	\$5,369,462	\$5,358,061
TOTAL REVENUES	\$22,583,194	\$12,490,043	\$12,444,850	\$12,603,777	\$12,667,249	\$12,771,281	\$12,878,396	\$12,989,322	\$13,104,213	\$13,223,229

TOTAL SURPLUS/DEFICIT	\$0	\$555,520	\$213,139	\$239,835	\$168,526	\$135,182	\$102,273	\$70,479	\$39,904	\$10,654
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