Executive Summary

The desire to replace the local property tax as a funding mechanism for public transportation has been an issue of local and regional concern for many years. Renewed impetus to find alternatives has been prompted by the recent Chittenden County Long Range Transportation Plan's call for expanded transit services and the continuing municipal complaints against this funding source.

This report examines the background of this issue and identifies the myriad methods used by other states and local governments around the nation to finance public transportation. The pros and cons of employing these methods in Vermont are also examined.

Seeking to learn from the experience of others, this report reviews the State of Ohio's 1995 comprehensive study of public transportation funding tools for the potential applicability of its recommendations to the existing transit situation in Vermont. However, because Vermont circumstances do not mirror Ohio's, our state's special issues are identified prior to an examination of alternative funding sources. Criteria are then offered to evaluate each of the selected funding alternatives best thought applicable to state and regional circumstances.

Finally, this report discusses the selected financing options and identifies issues and obstacles related to implementation. These options include the gas tax, a regional sales tax, auto/truck rental fees, student transportation fees and maximizing CCTA's revenue potential. A near term schedule for advancing and refining the report and its recommendations follows.

"…it is a policy of this plan that alternatives to the property tax be developed and implemented to support public transportation operating costs..." From *A Twenty-Year Vision for Transportation in Chittenden County,* January 1997, the CCMPO's Long Range Transportation Plan.

I. INTRODUCTION

The purpose of this report is to begin the search for the property tax alternatives referred to in the citation above. The 1997 Chittenden County Long Range Transportation Plan (LRTP) calls for a substantial increase over time in regional transit ridership. Finding the means to financially sustain the new, higher levels of transit service is a necessary first step.

The objectives of this report are thus to 1) identify and briefly explain the many methods currently in some form of use around the US to help pay for transit operations; 2) identify potential Vermont opportunities and impediments; and 3) suggest further exploration of some recommended alternatives

It should be noted that the solutions being explored in this report are for the long term sustainability of transit operations. Transit capital funding is not a part of this study, although many of the sources reviewed could well be used for capital acquisition or replacement.

II. BACKGROUND

The Chittenden County Transportation Authority (CCTA) was chartered in 1973 to provide public transportation services within, and directly adjacent to, Chittenden County municipalities. Since its formation, the CCTA has operated almost exclusively within the five urbanized area member communities of Burlington, Winooski, South Burlington, Essex and Shelburne.

Three roughly equal sources fund CCTA's current operations: 1) Fares and other revenue, 2) local subsidy, and 3) the combination of state and federal subsidy. Exhibit 1 shows a more detailed breakdown of these sources for FY98. While this chart displays only data from the most recent budget, the relative shares of the various sources have not substantially changed over time. In fact, the local share has actually diminished slightly as a percentage of all operating expenses as shown in Exhibit 2.

Exhibit 1: CCTA Revenue Sources: FY98 Budget

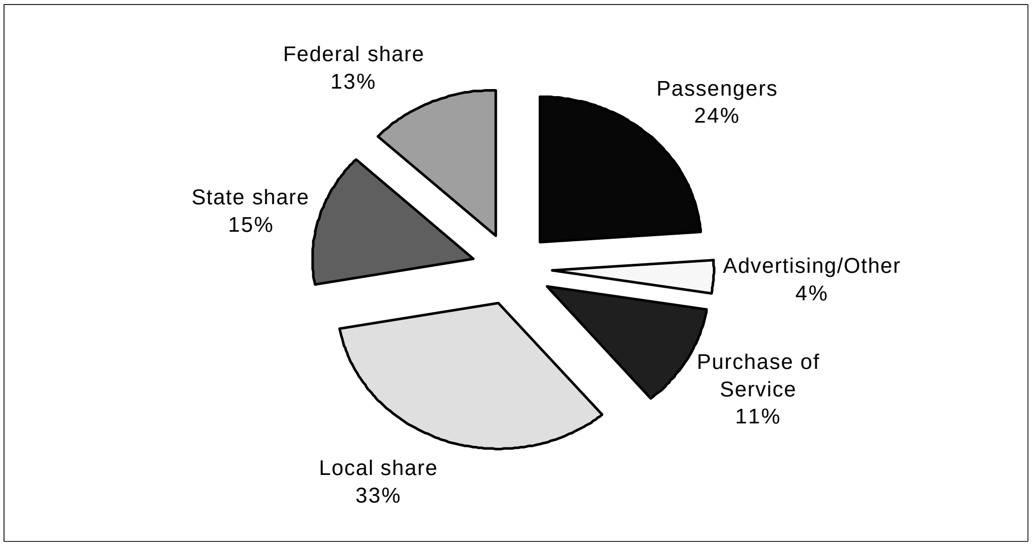
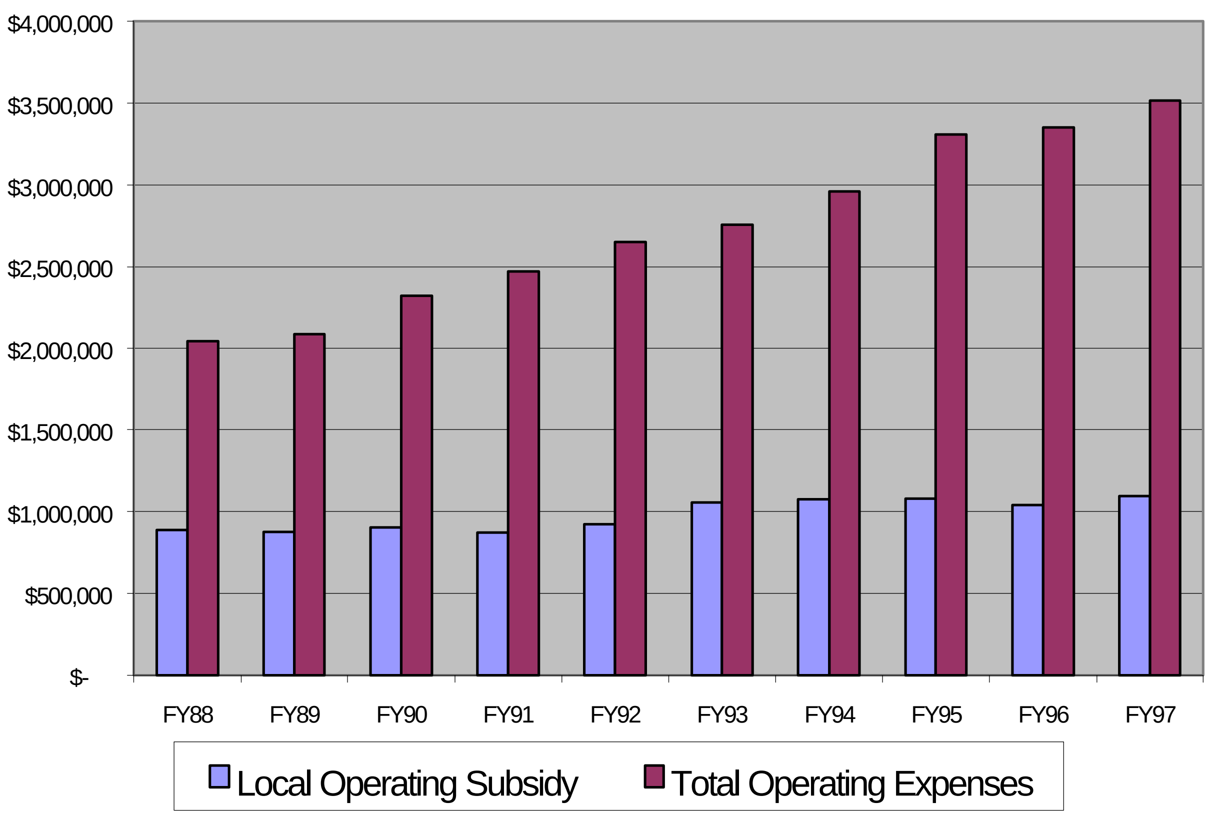


Exhibit 2: CCTA Total Operating Expenses vs. Local Operating Share: FY88 - FY97



The approximately one-third local subsidy share shown in Exhibit 1 is generated by revenues from local property taxes and apportioned to the CCTA member communities by their shares of the total number of route miles system-wide. CCTA assesses its member communities for the upcoming budget year, based on that community's share of the route miles from the previous year. Those municipalities then factor this assessment into their municipal budgets - budgets principally funded by the local property tax. Thus CCTA assessed the $1.39 million FY 98 local subsidy based on the following shares:

Municipality	% of Route Miles
Burlington	61%
So. Burlington	16%
Essex (incl. Essex Jct.)	14%
Winooski	6%
Shelburne	3%

The current CCTA one-way passenger fare in $1.00. The actual operating cost per passenger boarding - a statistic CCTA tracks monthly - is approximately $2.00. Fares would therefore need to double (and ridership levels remain the same) in order to cover these operating costs.

Problems associated with having the local share based on property tax revenue have been evident for years. Before the LRTP identified this as an obstacle to future expansion of these services, CCTA staff and Board of Commissioners, and CCTA member governments all recognized that sustaining even the current levels of service would be difficult as long as the financing remained dependent on property tax revenue. Further, in the past decade, Winooski, Essex, South Burlington and Shelburne have each considered reductions or elimination of service in response to municipal budgeting pressures.

In addition, some other existing transit services will need to find other operations funding sources in the near future. For example, the various federally funded Congestion Mitigation and Air Quality (CMAQ) program-funded transit services in Burlington will need new funding sources in order to continue operating after FY99 because that federal source only allows a three year maximum for transit operating assistance.

In the summer of 1995, the Chittenden County Regional Planning Commission formed an ad hoc committee of business, political, community and academic representatives to discuss and recommend new ways to fund public transportation in Chittenden County. After three meetings this group reached consensus on the following:

- Relative to other areas of government investment, such as education, economic development, and social welfare, a priority case for increased investment in transportation - including transit - has not been clearly made.

- If the transportation need can be more clearly demonstrated, dedicating portions of Vermont's Transportation Fund to transit and local roads is more desirable than increasing the gas tax.
- Of the funding sources available for investment in the transportation system, the gas tax makes the best sense.
- Future attempts to increase the gas tax for transit use need to be combined with other statewide transportation interests and local road investment in order to succeed. Other strategies in arguing for a gas tax increase include: 1) having a healthy transportation infrastructure (including transit) in order to promote economic development, and 2) framing new gas tax funding for transportation purposes as property tax relief.

This committee helped put transportation investments into a larger context of broad societal needs and clearly identified the gas tax - if the need can be substantiated - as the funding source best suited for transportation investment. While the committee's work did not provide a forceful push to identifying and resolving the transit funding issue, it kept the issue alive and helped prompt this study.

The search for new funding for transit operations is not confined to Vermont. Nationwide, federal operating assistance is declining and a majority of U.S. transit systems have both increased fares <u>and</u> reduced fixed route services in the past three years. A direct result has been the quest for new sources of funding. Thus, an obvious first step in finding potential alternative funding sources for Chittenden County is to examine how other states and local governments raise money to support public transportation.

III. PAYING FOR TRANSIT: EXAMPLES FROM AROUND THE U.S.

Public transportation is funded through a wide variety of revenue sources around the country. In some cases the sources are directly related to the transportation system - such as gas tax and car registration fees - or not connected at all - cigarette taxes, for instance. These distinctions separate "user fees" from "non-user fees." While states collect many taxes, in many areas the states have delegated some taxing authority to counties and municipalities. Such "local option taxes" have few examples in Vermont but are, however, common in many other parts of the country.

In addition to specifically identified revenue sources "dedicated" to transit, many states appropriate funds for transit operating from their general funds. Those tax programs that contribute to the general fund are termed "non-dedicated." Still other states have established Transportation Funds for transportation system investments. These funds are usually sustained by motor fuel taxes, driver license and vehicle registration fees. Not surprisingly, government fiscal managers often discourage funds for dedicated purposes in order to maximize flexibility in making budget allocation decisions.

Other revenues are also employed to assist with transit operations. Such non-traditional sources include student transportation fees, development impact fees and enhanced transit advertising revenue.

Nationwide, general funds and transportation funds are the most popular state methods used to finance transit operations. Where dedicated sources are used, fuel taxes, and sales taxes are most prevalent. With federal assistance having declined in recent years, many transit authorities are becoming more resourceful, building partnerships with others and taking advantage of new opportunities.

Exhibit 3 below identifies and characterizes a variety of transit funding sources used in other states and local jurisdictions that have been identified for potential applicability in Vermont. Each is briefly described and the pros and cons of applying them in Vermont briefly assessed.

Exhibit 3: Public Transportation Funding Options: Description and Assessment

OPTION	***DESCRIPTION***	***PROS***	***CONS***
Gas tax	Fee levied per gallon of gas or diesel fuel purchased.	User fee. Vermont has a gas tax in effect. Small increases can generate large amounts of revenue.	A recent increase to fund education may make further increases politically difficult. Considered regressive, especially in rural states where transit service coverage is slight.
Sales tax	Sales transactions, for identified products or services, are assessed a percentage fee.	Vermont has this tax in effect. Small increases can generate large amounts of revenue.	Regressive to the extent it affects low income people. Non user fee unless applied to gas or diesel or vehicle purchase. Difficult to increase with New Hampshire having none.
Auto registration fees	Periodic registration of motor vehicles contains a percentage or dollar fee.	User fee. In combination with driver license fees can raise substantial funds.	Vermont's fee is high by the region's standards. Competition from other interests for any increase.
Auto purchase and use tax	Sales tax on auto purchases	User fee. Vermont has this tax in effect. Able to generate large amounts of revenue.	Vermont's rate is similar to neighbors - limited capacity to increase.
Toll revenue	Fees collected, usually on-site, for road or bridge use	User fee.	Toll facilities are non-existent in Vermont. Traffic volumes are relatively low.

OPTION	*DESCRIPTION*	*PROS*	*CONS*
General Fund allocations	Legislatively approved item authorizing funding for public transit operations.	Large source of funds. Most other state programs are funded this way.	No direct connection between the revenue source and what is funded. Annual competition with other programs. Unpredictable.
Driver license fees	A percentage or fixed fee added to the periodic renewal of drivers licenses.	User fee. Vermont has this fee in effect. Able to generate large amounts of revenue if combined with registration fee increases.	Competition from other interests for any increase.
Gambling/ Lottery revenues	A percentage or fixed fee added to lottery ticket sales or other gaming activities.	Vermont has a state run lottery program in effect.	Non user fee. Limited political will to expand this type of activity. Can be considered regressive. Usually considered for education funding in Vermont.
Payroll tax	Percentage, or fixed fee, per $x,xxx of payroll assessed to employers.	Administrative structures in place at employers.	Non user fee. Potential obstacle to business recruitment efforts. No Vermont precedent.
Cigarette tax	A fee of x¢ per pack is added to the price.	State has 44¢ per pack tax in effect already. "Sin" taxes can be more politically feasible.	Non user fee. This source has been exploited significantly already. Consumption trend is likely downward. Fed. Tax may be increasing dramatically.
Mortgage recording fee	Percentage or fixed fee added to mortgage application.	A low administrative burden is likely. A percentage fee could be considered progressive.	Non user fee. Not likely to generate substantial funds. No Vermont precedent.
Car/truck rental fees	A percentage or fixed fee added to the price of vehicle rental.	User fee. Vermont's 5% is relatively low. Visitors, not residents, pay most (export burden).	May not generate sufficient funds.
Alcohol tax	A percentage fee is added to the retail price of beer, wine and/or liquor.	"Sin" taxes can be more politically feasible. Sales tax on beer and wine is already in place as is a 10% alcohol tax on liquor.	Non user fee. Consumption trend may be flat. Possible further sales loss to New Hampshire.

OPTION	***DESCRIPTION***	***PROS***	***CONS***
Property tax	A rate is assessed against the value of real estate or other property.	Vermont has this tax in effect. Ability to generate large sums.	The state's use of this for education funding may preclude its use for other purposes for the foreseeable future. Primarily a municipal tax. Vermont's reliance on this source is high by US standards.
Transit finance district	A transit service area is identified and those within it assessed a fee.	Those directly able to benefit pay.	Potential negative effect on locating new development in the district.
Student transportation fees	Assessment added to tuition costs to pay for student use of the public transit system.	Direct payment for service provided. Stable source of operational assistance.	No Vermont precedent. Unknown level of political and institutional support.
Transportation impact fees	Development fee assessed for transportation system impact part of which goes to transit operations.	User fee. Some Vermont municipalities use this source for transportation improvements.	No precedent for use for transit. Usually used for construction or capital items, not operations.
Transit advertising revenue	Transit facilities or rolling stock space sold for advertising.	Private funding source. Potential for sizable revenue generation.	Public image problem - private exploitation of a public resource.
Leasing of transit assets	Leasing real estate or other property.	Perception of resourcefulness, taking advantage of unusual opportunities.	Potential conflicts with transit operations. Potential for conflicting priorities.
Leasing transit services	Using drivers or maintenance personnel for outside contract work.	Making more efficient use of staff and facilities.	Potential conflicts with transit operations. Potential for conflicting priorities.
Increase fares	Establish a fare structure to fully recoup operating costs.	Simple and understandable. User fee	Considered regressive - burden is placed on populations considered less able to pay. Unknown effect on ridership.*

*NOTE: Transit industry studies reveal a "rule-of-thumb" relationship between fare increases and ridership decreases. This suggests that a 10 percent rise in fares will result in a corresponding 3 percent drop in ridership. The effect of a 100 percent increase in fares is not clear. However, a substantial ridership loss would not be unexpected.

IV. OHIO'S STUDY OF TRANSIT FUNDING AND LESSONS FOR CHITTENDEN COUNTY

In 1995, Ohio undertook a comprehensive study to identify sources of revenue that could best be used to fund public transportation. This effort started with a thorough examination of the funding mechanisms other states use to support transit. This was followed by an assessment of the governmental, political, and legal environment of Ohio, after which several programs from other states were selected for further consideration and analysis. Ohio examined the various options for revenue generation potential, public acceptability, administrative simplicity, equity, flexibility and other factors. Ohio distilled recommended best options from this analysis and public opinion polling. Ohio then tested these preferences with focus groups consisting of urban and rural transportation providers, developers, and planners. Among the conclusions reached were:

- Within the realm of all statewide problems, transportation rates relatively low. Less than two percent of Ohio survey respondents listed transportation system problems as the most important facing the state. Crime, unemployment, education and the economy rated highest.
- The transportation system problems considered most important in Ohio were 1) lack of a good public transportation system, 2) poor road conditions, and 3) traffic congestion.
- Respondents supported raising taxes for the following: education, business recruitment and expansion programs, anti-crime efforts, job training programs, and extending health insurance to all. Respondents did not support increasing taxes for traffic congestion relief measures or air quality improvement programs.
- Any funding to improve public transportation should come from a combination of state and local revenue.
- Increasing local property taxes for public transportation was strongly opposed.
- A tax on car and truck rentals to fund county public transportation was supported.
- Increasing the gas or sales taxes to support public transportation was opposed.

Ohio's extensive effort offers some lessons for Vermont. Among these are the difficult tasks in convincing the public and decision-makers that public transportation is 1) an important public priority investment and,
2) public transportation's needs warrant a tax or fee increase. This finding parallels the experience of the 1995 Chittenden County committee. Notwithstanding the difficulties cited, the Ohio study suggests that there are types of taxation Vermont could reasonably consider for funding transit - vehicle rental charges, for example - and suggests that obvious sources like the gas tax may not be so publicly acceptable.

V. CHITTENDEN COUNTY ISSUES

In planning for transit funding alternatives, we need to consider several local/state issues. One is the degree to which local control is retained over transit funding. Should part of the funding remain on the local property tax, or some other local/regional financing mechanism, in order to assure local government accountability? The Ohio results mentioned above as well as the strong arguments for local control in the Act 60 debate strongly suggest this approach.

Probably the most obvious source of funding our transportation infrastructure - including transit - is the gas tax. However, not only do the Ohio results suggest this may not be the most acceptable, Vermont tax circumstances may argue against this as well. Act 60, the education finance bill enacted in 1997, increased the gas tax by $.04 per gallon. This increase may make additional increases less politically acceptable - even for purely transportation related investment. Countering this notion is the fact that gasoline prices are currently at some of the lowest levels in recent history. This suggests the time may be right to exploit this commodity further.

Vermont has not previously established any regional organization with tax-raising authority nor allowed such regional option taxation. A substantial political effort would need to be undertaken in order for either of these to occur. How does this influence discussion on whether a regional revenue source is more or less desirable than statewide revenue in addressing increased funding for transit? If a regional option tax is preferred, the political process necessary for implementation may be longer and require considerably more effort.

The City of Burlington placed a question on the town meeting day ballot in March 1998 to gauge support for a regional gas tax for transportation purposes. While the results revealed majority support for the idea, a commitment at the ballot box may not necessarily be followed by actual public and political support for implementation. Nonetheless, this public expression deserves to be pursued and tested in other settings such as other Chittenden County municipalities, within the Chittenden County legislative delegation and ultimately the Vermont General Assembly.

The consideration of new or alternative funding mechanisms for transit should be evaluated against various policy criteria reflecting public and political sensitivities. Exhibit 4 below suggests such criteria and describes how each can be applied to the various funding options. These criteria were adapted from those used in Ohio and Maryland to assess options for transportation funding, and modified by the Vermont issues discussed above.

Exhibit 4: Suggested Criteria for Evaluating Transit Funding Options

CRITERION	DESCRIPTION
Produces sufficient and stable yields	Revenue generation will be sufficient to cover projected costs without resorting to other financing methods.
Public Acceptability	The alternative is shown to maximize public support and minimize opposition.
Political Feasibility	The relative ease at which the option can be legislatively approved; The level of acceptance of local elected officials.
Administrative simplicity	The ease and cost effectiveness of administering the alternative.
Equity	A demonstration that the alternative reflects peoples' ability to pay and does not unfairly burden lower income or fixed income citizens.
Flexibility	The alternative allows for investment across transportation modes and facilities.

VI. RECOMMENDATIONS FOR FURTHER CONSIDERATION

Filtering the many and various funding options - for those best suited to Vermont and local circumstances - is the next task in managing further analysis of the funding alternatives. A preliminary assessment of the options laid out in Exhibit 3 reveals several new alternatives for transit operations funding in Vermont. Exhibit 5 summarizes these alternatives and the text following describes and characterizes the issues related to each.

Exhibit 5: Summary Table of Recommendations for Further Consideration

OPTION	ESTIMATED ANNUAL REVENUE POTENTIAL	% OF THE CURRENT LOCAL SUBSIDY
One Cent per Gallon Regional Gas Tax	$600,000	46%
One Percent Regional Sales Tax	$12,200,000	878%
Five Percent Regional Auto/Truck Rental Fee	$400,000 to $650,000*	29% to 47%
$30 Student Transportation Fee per Semester	$1,000,000	72%
CCTA Revenue Enhancement Initiatives	$300,000**	22%

NOTES: *Assumes a 30% - 50% Chittenden County share of statewide vehicle rentals.
**Assumes this total through any variety/combination of revenue enhancement initiatives.

A. **Increase the Gas Tax**

Despite the Ohio poll finding, many see the gas tax for transportation funding as an obvious user fee to consider, and the March election results in Burlington emphasize this. Therefore, this source needs to be further explored. Statewide, each penny per gallon increase in the gas tax produces approximately $3 million in additional revenue. On the Chittenden County level, each penny could produce around $600,000 per year in revenue. Injecting $600,000 into CCTA's operating budget could reduce the current local subsidy by 46 percent, or put another way, increase that budget by 15 percent.

Issues for further consideration: 1) Public acceptability and equity issues may hinder the legislative will to increase this tax especially with the recent increase to fund education enacted under Act 60. 2) Establishing a regional tax vs. a statewide increase may be legislatively and administratively difficult. 3) Whether to dedicate some or all of any gas tax to public transportation vs. other transportation (or non-transportation) programs. 4) The state or region might consider changing the gas tax from a per gallon fee to a percentage of the sale, i.e. to a sales tax on gasoline. This suggestion in the VAOT's Long Range Transportation Plan would help keep revenue rates on a pace with inflation and would currently require an 11 percent to 13 percent tax rate.

B. **Regional Sales Tax**

The state sales and use tax produces more revenue than all other tax generators except for the income tax - nearly $183 million in FY 96. The Vermont Department of Taxes comparison of computer processed documents revealed that Chittenden County accounted for one third of the state's share of this tax - an estimated $61 million. A regional sales tax of one percent (added to the state's five percent) could generate an additional $12.2 million in revenue. Were this dedicated to transportation in the region, extensive local road and bridge investment, as well as considerable public transportation improvements, could be made. The complete removal of the local subsidy for transit would also be possible. Of the methods suggested here, no other source is able to raise so much revenue with as little as a 20 percent increase in rates.

Issues for further consideration: 1) Public acceptability, equity issues and establishing a sub-state tax base may hinder the legislative will to enact a county-based sales tax or increase the state's rate. 2) How would the revenues be divided between public transit and other transportation needs or between transportation and other non-transportation investment demands? How competitive will other interests be for funds generated by this tax increase? 3) Act 60 allowed the option of municipal sales taxes as a way of offsetting the possible negative effects on local school budgets. Should Chittenden County municipalities take advantage of this opportunity, regional coordination may become complicated.

C. **Auto/Truck Rental Fees**

The previously discussed Ohio study identified auto and truck rental fees as a publicly acceptable source to use for public transportation purposes. This tax is used by 29 states; 10 states allow local governments to employ it as well. In many areas of the country, rates of 14 percent to 18 percent are not uncommon. Vermont currently has a five percent rate on auto rentals that generated nearly $1.3 million in FY 97. An increase to 10 percent, and assuming vehicle rental activity remains stable, would double the revenue and could provide that million dollar plus sum for public transit or other uses. Much of the attractiveness of this source is that visitors, rather than residents, pay a considerable share of it.

Issues for further consideration: 1) A regional rental tax would not likely raise sufficient revenue for Chittenden County transit needs though it is unknown what the county's share of revenue generation is (likely high with the Burlington International Airport's presence). 2) How competitive will other interests be for funds generated by any increase? 3) The political acceptability on the local and state levels has not been established.

D. Student Transportation Fees

The location of several colleges and the University of Vermont within the CCTA service area offers an excellent opportunity to provide higher levels of service to more patrons, increase revenues and decrease parking demand around these institutions. In an increasing number of college towns nationwide, student transportation fees are being used to allow the use of the student's ID card as a bus pass. Student ID bus pass use has recently gone into effect at the University of Wisconsin in Milwaukee, the University of Colorado in Boulder, the University of Pittsburgh, and universities in the Albany, New York area. This fall the University of Florida in Gainesville will start the same program. The 1997 LRTP examined the success of such a venture at the University of Illinois in Champaign/Urbana. While that area is similar in many ways to the Burlington area, transit ridership and per capita patronage are significantly higher.

If Trinity College, Champlain College, the University of Vermont and St. Michaels College each enacted a transportation fee of $30 per semester, approximately $1 million of revenue could be raised. If this was used to purchase public transportation from CCTA, it would represent a nearly 25% increase in CCTA's annual operating budget. Such a program would, of course, require a shift in focus to the transportation needs of the students - higher levels of campus area service and extended hours of service. If these transportation fees were used to also reduce the local subsidy, services to the member communities outside Burlington would likely need to be significantly altered.

In addition to providing higher levels of transportation to the university community, the demand for parking in and around these institutions could be reduced. This would have the benefit of keeping lands open or available for building and assist the schools in enacting policies discouraging students from having cars. This option may be easier to implement than others discussed in this section because it does not require approval by the state legislature.

Issues for further consideration: 1) Does the institutional and political will exist to actively pursue such fees? 2) If a student transportation fee is successfully implemented, should some, none or all of the fees be used to offset the local subsidy. 3) A significant redesign of route services would probably be necessary. 4) Service changes would need to coordinate with the UVM CATS system. 5) CCTA Charter provisions do not allow board representation from institutions. If student fees are instituted, educational institution representation on the CCTA Board might be pursued. 6) Burlington regulations related to institutional parking should be reevaluated and space requirements appropriately reduced.

E. CCTA Revenue Enhancement Initiatives

CCTA could implement several initiatives to increase revenue through activities not directly related to operations. These include selling ad space on timetables/schedules and inside bus shelters. Also, if the entire fleet were "wrapped," at least $300,000 in additional revenues could be raised to offset expenses. This could reduce the local share by approximately 22 percent. In addition, leasing out vacant space in CCTA's new facility could generate funds to be applied against other costs. CCTA might also consider marketing its garage and maintenance staff for the maintenance of local school bus.

Issues for further consideration: 1) Are there enough interested advertisers able/willing to wrap the entire fleet? 2) Is there physical capacity in the CCTA facility to accommodate new maintenance work? 3) What is the level of public acceptance to more overt and highly visible advertising on buses and shelters? 4) What would the use be of any additional revenues - reduce the local subsidy, offset other costs or expand services?

Exhibit 6 provides a preliminary assessment of how the alternatives discussed above meet the previously discussed evaluation criteria. Examining the relationship of alternatives to evaluation criteria provides guidance on which alternatives might be pursued first. Three alternatives, auto/truck rental fees, student transportation fees and maximizing CCTA revenue satisfy most criteria and should therefore be the starting points for further exploration. However, issues related to revenue potential (for auto/truck rental fees and maximizing CCTA revenue) and institutional acceptability and transportation equity (for student transportation fees) need to be more thoroughly addressed. The sales and gas taxes satisfy fewer of the evaluation criteria, likely posing political and public acceptability challenges - as the Ohio experience demonstrated. Their potential to raise sufficient and stable revenues however suggests they not be dismissed outright.

Exhibit 6: Preliminary Funding Alternatives Evaluation Matrix

	CRITERIA					
ALTERNATIVES	Produces sufficient and stable yields	Public acceptability	Political feasibility	Administrative simplicity	Equity	Flexibility
Gas Tax	✓					✓
Regional Sales Tax	✓					✓
Auto/Truck Rental Fees		✓	✓		✓	✓
Student Transportation Fees	✓	✓	✓	✓		
CCTA Revenue Enhancement Initiatives		✓	✓	✓	✓	

VII. NEXT STEPS

In order to advance discussion and identify the preferred alternatives for implementation, it is recommended:

1. This report be presented to the following for public debate and comment:

- The public transit subcommittee of the CCMPO TAC,
- The Technical Advisory Committee (TAC),
- The CCMPO Board of Directors,
- The CCTA Board of Commissioners,
- The Burlington Transportation and Parking Council,
- City Councils and Selectboards in the Chittenden County urbanized area, and
- The Chittenden County legislative delegation.

2. Following refinement of this report in the CCTA Systems Analysis Phase 2 described below, an assessment of sufficient political and public support for one or more of the recommendations should be undertaken.

3. If support is gauged sufficient, the CCMPO Board, local elected officials and other supporters should advocate appropriately for the necessary legislative and/or policy changes.

As mentioned, a further refinement of these recommendations, based on public comment and the consultant's professional expertise, will occur in Phase 2 of the CCTA Systems Analysis. (Phase 1, currently underway, will be recommending service and routing changes based on the region's growth and development patterns.) From this, the most desirable choices for Chittenden County's circumstances should emerge. The CCTA Systems Analysis Phase 2 study will also examine the organizational issues related to the CCTA charter and how the charter can best accommodate changes in recommended public transportation services as well as new funding sources. Such charter changes will almost certainly be necessary in order to permit funding source flexibility.

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