

MARTA Financial Summary (as of March 2009)

So What Does All This Mean?

MARTA has only four strategies it may use to cover operating deficits. These include:

1. Internal Productivity Improvement and Cost Containment;
2. Fare and Fee Changes;
3. New Revenue Sources; and,
4. Reduction of Transit Service Levels

- MARTA is already implementing strategies to **increase internal productivity and contain costs**, resulting in at least **\$11 million** in additional savings for FY 2009 which grows to **\$17 million** in FY 2010 and each of the succeeding years. In addition, some **\$5 million** in annual savings are being considered which consists of furloughs, salary reductions and health care cost containment starting in FY 2010.
- The MARTA Board of Directors will also most likely recommend **fare increases and additional parking fees** for FY 2010. The financial plan includes **\$3.5 million** in additional revenues from fare increases and parking fees in FY 2010 which are expected to grow to **\$10 million** in each of the succeeding years. However, these aids are not large enough to offset the significant shortfall MARTA faces.
- Without new revenue sources from the state or region (3), **MARTA will be forced to dramatically reduce service levels, eliminating bus routes, cutting rail service (either certain days or times, or entire lines altogether), and potentially seriously impacting the overall economic well-being of this region and state.** More than half (54%) of MARTA's approximately 516,000 daily rides involve commuting to and from work, with another 10% using the system for school purposes and 10% for medical needs. With Atlanta already in economic crisis, we cannot afford to jeopardize essential access to employment centers, educational institutions or medical providers.
- If MARTA receives **no legislative assistance** from the state [i.e. elimination of 50/50 restrictions **which would release \$65 million in capital reserves** for use in addressing the multi-year budget shortfalls], current budget outlooks show the authority having to reduce service, along with related operating and administrative overheads, by at least \$45 million in FY 2010; \$56 million in FY 2011; and \$65 million in FY 2012. Should the above mentioned reinvestments be included, those numbers would increase to \$60 million in FY 2010; \$84 million in FY 2011; and \$95 million in FY 2012.

These budget shortfalls take on real meaning when their operating consequences are understood. For example, a \$45 million service reduction could mean removal of one-third of all bus, rail and paratransit services that are currently operated today; **OR**, 45 percent of all bus service; **OR**, the termination of all rail service. At a level of \$95 million, two-thirds of all bus, rail and paratransit service would be removed from operation. In the former case, MARTA would be forced to lay-off approximately 1,700 employees; and, at the latter, would double to some 3,400 employees. Additionally, MARTA provides, as noted previously, some 516,000 unlinked passenger trips on a daily basis, and would be reduced proportionately, with consequential impacts on the passengers from both within and outside MARTA's jurisdictional service areas. MARTA is increasingly becoming the spine for various "regional" transit services that connect or depend on MARTA for line-haul or distribution of their patrons. Reductions of this magnitude in MARTA's service levels will undoubtedly impact MARTA's transit partners---and the **53,000 customers**---they transport on a daily basis.

It is extremely important that state legislators, and the constituents that they serve, understand the importance of MARTA and the economic value it brings to both the Atlanta region and the entire state of Georgia. Passage of the 50/50 legislation will permit MARTA to **flex \$65 million in capital reserves** to the multi-year budget shortfalls described above. This is not a permanent funding solution---but rather a one-time "self-help" assistance measure that still requires a permanent state-based funding solution.