



IN BRIEF

ON THE BALLOT

Jefferson Parish Transit Tax Renewals, October 14, 2017

September 2017

Overview of the Propositions

Voters parishwide will decide whether to renew two 10-year property taxes to operate and maintain the parish's public transportation system. One tax, at two mills, would generate about \$6.8 million annually for the fixed-route service. The other tax, at one mill, would yield about \$3.4 million annually for the Mobility Impaired Transportation System (MITS), which provides curb-to-curb service for the elderly and disabled. Voters first approved the transit taxes in 1989, and subsequently authorized two 10-year renewals.

Key Background and Findings: Fixed-Route Millage

- Renewal of the tax would reset its current rolled-back rate of 1.9 mills to the previously authorized maximum rate of two mills. This would result in a slight tax increase of 0.10 mills, beginning in 2019. The tax for a homestead-exempt property valued at \$200,000 would increase \$1.25 from \$23.75 to \$25 a year.
- The fixed-route service has 41 buses serving 13 routes, seven on the West Bank and six on the East Bank. The base fare is \$1.50. The average cost per passenger to operate the service is \$5.46.
- The millage will provide \$6.5 million of the \$12.6 million in budgeted revenue in 2017, or 52%. Sweeping service cuts would be necessary if the tax expires at the end of 2018.
- Ridership, at 2 million in 2016, is 52% below pre-Katrina levels. Fixed-route transit faces challenges serving fewer riders efficiently and connecting with New Orleans' Regional Transit Authority.
- The service has some clear inefficiencies, including three routes where the cost per passenger ranges from \$15.44 to \$22.96 – roughly three to four times the system average of \$5.46.
- The Parish administration, which inherited the transportation system in January 2016, is studying options to eliminate inefficiencies. It also is working with regional transportation officials on a strategic plan.

BGR Position on Fixed-Route Millage Renewal

FOR. The tax is a critical source of revenue for fixed-route transit, an essential public service. If voters do not renew the tax, serious cuts in service will be necessary, affecting thousands of riders. Given the lack of other viable revenue sources, and some positive signs that the Parish is working to improve efficiency and service, BGR recommends approving the tax renewal.

In making this recommendation, BGR has significant concerns about clear inefficiencies in certain routes. It calls on the Parish to take near-term action to eliminate these inefficiencies and direct the savings to areas with unmet service demands. The Parish should not delay solutions that it can implement now to better deploy limited public resources. For the longer term, the strategic planning process should identify specific steps to make the service more efficient and effective, including improvements to regional connectivity. Finally, the Parish must commit to achieving the plan's goals and objectives.

Key Background and Findings: MITS Millage

- Renewal of the tax would reset its current rolled-back rate of 0.95 mills to the previously authorized maximum rate of one mill. This would result in a slight tax increase of 0.05 mills, beginning in 2019. The tax for a homestead-exempt property valued at \$200,000 would increase 62 cents from \$11.88 to \$12.50 a year.
- MITS has 17 paratransit vehicles that provide curb-to-curb service to qualifying individuals to comply with federal Americans with Disabilities Act (ADA) requirements. The base fare is \$3. The average cost per passenger to operate the system is \$41.25.
- The millage will provide \$3.3 million of the \$3.8 million in budgeted revenue for 2017, or 86%. If the tax ultimately expires, wholesale cuts would effectively shut down MITS. However, federal law requires the Parish to operate MITS if the fixed-route system continues. This would likely result in cuts to other areas of the Parish's budget.
- While the fixed-route service is dealing with major reductions in both ridership and service, MITS is on a much stronger footing. Ridership is down only moderately since Katrina, and the service is meeting current demand. There were 71,600 riders in 2016, down 16% from pre-Katrina levels.
- MITS has a large reserve fund that Parish administrators plan to use for an 11-year, \$13.2 million project to bring 80% of the roughly 1,000 fixed-route bus stops into compliance with the ADA.

BGR Position on MITS Millage Renewal

FOR. The tax provides the vast majority of the funding for federally mandated paratransit services for the Parish's elderly and disabled residents. MITS provides an essential service for some of the parish's most transit-dependent residents. And, as long as the fixed-route service continues, the Parish is required to provide MITS. In that case, if the MITS tax renewal were rejected, the Parish would have to find other funds for the paratransit services.

Read the full report at www.bgr.org.