

CASE 4.2 REVENUE FORECASTING AND ENVIRONMENTAL JUSTICE

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In the case that follows, policy makers responsible for the performance of the Metropolitan Atlanta Regional Planning Authority (MARTA) hire consultants who use forecasting methods to project future revenues generated by sales and use taxes. Even with the reasonably accurate estimates of future revenues from sales tax receipts and user fees (a reasonably accurate forecast will lie within ± 10 percent of the observed value), MARTA policy

makers could not avoid making politically unpopular and controversial policy decisions that involved raising fares and cutting back services. In the MARTA case, the accuracy of forecasts is directly related to issues of environmental justice raised primarily by relatively poor and disadvantaged minorities in the Atlanta region. Box 4.1 provides an overview of many of these issues. ■

BOX 4.1 TRANSIT EQUITY: A LOOK AT MARTA*

Why Is Transportation Important?

Other than housing, Americans spend more on transportation than on any other household expense. The average American household spends one-fifth of its income on transportation.

What Counties Support MARTA?

The Metropolitan Atlanta Rapid Transit Authority (MARTA) serves just two counties, Fulton and DeKalb, in the ten-county Atlanta region. In the 1960s, MARTA was hailed as the solution to the region's growing traffic and pollution problems. The first referendum to create a five-county rapid rail system failed in 1968. However, in 1971, the city of Atlanta, Fulton County, and DeKalb County approved a referendum for a 1 percent sales tax to support a rapid rail and feeder bus system. Cobb County and Gwinnett County voters rejected the MARTA system.

Who Pays for MARTA?

MARTA's operating budget comes from sales tax (46%), fares (34%), and the Federal Transit Administration and other sources (20%). Only Fulton and DeKalb County residents pay for the upkeep and expansion of the system with a one-cent MARTA sales tax. Revenues from bus fares generated \$5 million more revenue than taken in by rail in 1997. In 1999, the regular one-way fare on MARTA was \$1.50, up from \$1 in 1992.

Who Rides MARTA?

A recent rider survey revealed that 78 percent of MARTA's rail and bus riders are African American and other people of color. Whites make up 22 percent of MARTA riders.

Where Do MARTA Riders Live?

More than 45 percent of MARTA riders live in the city of Atlanta, 14 percent live in the remainder of Fulton County, 25 percent live in DeKalb County, and 16 percent of MARTA riders live outside MARTA's service area.

Where Are Weekday MARTA Riders Headed?

The majority (58%) of MARTA's weekday riders are on their way to work. The second highest use of MARTA was for getting to medical centers and other services (21%). Other MARTA riders use the system for attending special events (8%), shopping (7%), and school.

How Much Is MARTA's Proposed Fare Increase?

MARTA proposed raising one-way fares from \$1.50 to \$1.75, a 17 percent increase. The increase is proposed to offset a \$10 million shortfall associated with the openings of the Sandy Springs and North Springs stations. The proposal also calls for increasing the weekly transit pass from \$12 to \$13 and the monthly pass from \$45 to \$52.50.

Who Would Be Most Impacted by the Proposed MARTA Fare Increase?

Although the increase of \$7.50 a month may not seem like a lot at first glance, it could do irreparable harm to a \$5.25 per hour minimum-wage transit user. These fare increases would fall heaviest on the transit-dependent, low-income households and people of color who make up the greatest percentage of MARTA users.

How Can the Public Comment on the Proposed MARTA Fare Increase?

Because MARTA receives federal transportation dollars, it is required to hold public hearings before any fare increase takes effect.

How Has MARTA Grown?

MARTA has grown from thirteen rail stations in 1979 to thirty-six rail stations in 2000. Two additional stations (Sandy Springs and North Springs) along the North Line were under construction. These two new northern stations opened in early 2001. With its \$270.4 million annual budget, MARTA operates 700 buses and 240 rail cars. The system handles more than 534,000 passengers on an average weekday. MARTA operates 154 bus routes that cover 1,531 miles and carry 275,000 passengers on an average weekday. MARTA's rail lines cover 46 miles with rail cars carrying 259,000 passengers on an average weekday.

Who Uses MARTA's Parking Spaces?

MARTA provides nearly 21,000 parking spaces at twenty-three of its thirty-six transit stations. Parking at MARTA lots is free except for the overnight lots that cost \$3 per day. MARTA provides 1,342 spaces in four overnight lots. All of the overnight lots are on MARTA's North Line. It is becoming increasingly difficult to find a parking space in some MARTA lots. A recent license tag survey, "Who Parks-and-Rides," covering the period 1988-97, revealed that 44 percent of the cars parked at MARTA lots were from outside the MARTA Fulton/DeKalb County service area.