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What ails Metro isn't revenue —it's spending

by Bob Pishue, Director, Center for Transportation

Administrators at the state's 31 local transit agencies, including King County Metro, had their eyes tightly fixed on the failed transportation bill that was debated in Olympia this past session. Their keen interest was understandable. The bill would have given transit agencies a $250 million direct operating subsidy, a hefty state-level appropriation they had never received before. Local transit is currently funded with local taxes. Another transportation bill may be considered later this year, and may again contain the new transit subsidy local officials desire.

In addition to direct state money, some officials are seeking more taxing power. Specifically, King County Councilmember Larry Phillips and Metro General Manager Kevin Desmond are threatening to cut bus services if they are not allowed to impose new taxes. Their threatened service cuts would fall hardest on King County's most vulnerable residents — the poor, the elderly and the disabled.

At one time Phillips said cutting transit services would improve Metro, saying it was an "opportunity to transform Metro into a leaner, more effective 21st century transit system" and would enable "Metro to think outside the box." That was in 2009. Now, Phillips says unless he and other council members receive more taxing power and more money the result will be "crippling congestion." He also says, "Metro will not have the funds available to keep buses running next year."

Phillips presents us with a sky-is-falling vision of congested streets, harmful environmental effects and economic crises. Metro's pursuit of more money has the agency's public relations machine working overtime. If Metro managers focused that same energy on fulfilling their promises and using tax dollars wisely, they might not feel the need to threaten the public with more service cuts.

The ominous prediction of service cuts may sound familiar. Metro officials pushed for cuts two years ago, when they vigorously lobbied for charging drivers a higher car tab fee. The so-called "congestion reduction charge" was imposed on drivers after Metro officials promised to cut 17 percent of bus service if they didn't get more tax money. They got the money, then cut many routes anyway, so we will likely experience similar cuts whether they get new funding or not.

In a disturbing pattern, Metro officials have over-promised and under-delivered before, as they sought ever-increasing revenue levels from the public.

Taxpayers may recall sales tax increases for Metro transit were approved in 2000 and 2006. Tied to those increases were promises of more than 1.2 million hours of new bus service. To date, Metro officials have received more than $1 billion in new tax revenues to fund new service, but they have delivered only about a third of what they promised. The 2006 Transit Now initiative directed Metro to use revenues for new, specific services. Instead, King County officials overturned the voter-approved language and provided only partial implementation, rather than providing all of the new services that people voted for.

In 2010, the King County Council shifted property tax revenue from other public programs to further bolster Metro's budget.

From multiple sales tax increases, to higher car tab fees, to property tax money, the public has been more then generous to Metro. Since 2000, Metro's tax revenues have increased by 56 percent, but the agency increased its operating costs by more than 80 percent. Taxpayers are not to blame when Metro pushes its spending up faster than both inflation and growing tax revenues. It just reflects poor management of public money. Metro officials should deliver on their promises from past ballot measures and find smarter ways to operate within the ample tax revenues we have already given them.

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