



Testimony of Tom Reinauer, President  
Maine Transit Association  
For Public Hearing on LD 274  
Tuesday, March 11, 2025

Good afternoon Senator Nangle, Representative Crafts, and members of the Joint Standing Committee on Transportation:

My name is Tom Reinauer, Transportation Director at York County Community Action, and current President of the Maine Transit Association.

The MTA is a nonprofit association of 19 transit providers and supporting agencies throughout Maine, covering both rural and urban areas. Last year, our members provided 5.2 million passenger trips, which represents 84% of all public transportation service provided in Maine. Our transit providers also employ over 1,500 Maine residents.

We operate a variety of transportation services, which are essential to Maine communities, the economy, and residents – particularly for those without access to transportation, such as older adults and people with disabilities. Each day, we provide transportation for Mainers to access work, education, health care, grocery shopping and other vital services.

State funding is a key component of supporting our services, but currently only accounts for 2% of operating expenses. For the last year data is available, transit providers received about \$9 million from Maine municipalities, and raised over \$35 million in other funding for operations.

The MTA is requesting an increase of state funding for operating to \$8.9 million, which would represent approximately 11% of total operating costs and be consistent with municipal contributions. We also recommend that in addition to operating, MaineDOT also continue to include \$2 million for discretionary projects for State Transit Plan priorities.

“The allocation of sufficient state-level funding in conjunction with funding from municipalities, private partners, and non-governmental organizations, would support system efficiencies, support an improved level of service for users, and provide better outcomes for Maine’s transit agencies and riders.”

This last statement comes directly from the Maine State Transit Plan, recently completed by MaineDOT.

**Strategy 11 from the State Transit Plan:** Pursue Funding to Support the Strategies and Vision for Maine's Public Transportation System. Work with partners to identify and pursue opportunities to increase overall funding for transit operations and capital from federal, state, local, and private sources.

Increased state funding for transit operations is also the first recommended priority action in the recent report to the Legislature from the Public Transit Advisory Council.

The MTA also has several concerns with current DOT Work Plan and budget. We have discussed these with MaineDOT staff, but want to reiterate these to the Committee:

- The current listing of \$5 million is not all for operating expenses, as \$2million of that amount would be for discretionary projects.
- We understand MaineDOT has committed to the same operating amount as the last Fiscal Year, which should be \$4.17 million (so \$6.17 corrected total in budget and Work Plan)
- This amount is also currently flat funded for the 3-year Work Plan. This is not the case for the Downeaster service or the Maine State Ferry service, and our members are experiencing the same increases in costs. The MTA has requested a reasonable 2% increase each year.

We have provided some additional information for your review, including a map of locations for our members, our Policy Agenda, and Funding Priorities.

Thank you very much, and we look forward to working with the Committee. Happy to answer any questions.



## MISSION STATEMENT

ADVOCATE for investments in public transportation improvements throughout the state of Maine, PROMOTE the value of public transportation statewide, and SERVE as a resource for members to help them thrive.

# 2025 Policy Agenda

## Operating Funds

Transit providers have struggled to gather operating funds for many years, and state funding for transit lags behind funding for ferries and trains. Maine's 14 public transportation agencies (excluding rail and state ferry) provided over 4.1 million boardings in 2023. These agencies provided 81% of all public transit trips taken in Maine that year. This represents a level of public utilization that is orders of magnitude higher than rail and ferry services. The Maine people taking these trips are far more likely to be senior citizens, have lower incomes, be living with disabilities, and/or a part of historically disadvantaged communities.

In our March 6, 2023 letter to the Joint Standing Committee on Transportation, we outlined a method for establishing a new and appropriate funding level for operations. After discussions with MaineDOT staff, an agreement was reached at that time to increase funding by \$2 million in state fiscal year 2024, and \$5 million in fiscal year 2025. The 2025 total was then reduced by MaineDOT to \$3 million. Transit providers still need additional operating funds to maintain the current level of service.

In addition, some regions are at risk of losing substantial revenue from DHHS for MaineCare member non-emergency transports, which puts all transit services at risk in those regions.

**Based on our proposed method, the MTA is requesting that the state funding level for operations in state fiscal year 2026 be \$6.3 million.** MTA also again recommends applying a 2.0% annual escalator for a five-year period, at which point, the methodology and data should be re-evaluated and any appropriate changes made.

The state's transit providers have worked very hard to keep operating costs down, but many of the contributing expenses for operating are not within an agency's control. Our members also are very adept at generating revenue for the match requirements of Federal operating funds (50%), through municipal funding, advertising, contracted services, and employer contributions. **Last year, providers raised \$9.1 million in local municipal funding for operations, representing 17.6% of operating**

**expenses. This is in addition to \$12.4 million in other Directly Generated funds** (advertising, private foundation grants, contracted services agreements, etc.). However, state funding is still a critical piece of revenue for all providers. It should also be noted that transit fare revenues are deducted from eligible operating expenses, so cannot be used as local match for Federal operating dollars.

Comparing current state funding for operations to other levels of funding generated by providers, state funding accounts for only 3.7% of total operating expenses for all MTA providers. If state funding was at least in line with municipal contributions, the state amount would be \$9.1 million. In line with Directly Generated funding, the state contribution would be \$12.4 million.

### Revenue Expended on Operations – 2023 NTD Data\*

Type of Revenue	Percent of Total Operating Expenses	Total
Municipal	17.6%	\$9,197,537
Provider Directly Generated funds	23.8%	\$12,424,630
Federal	54.9%	\$28,651,279
State	3.7%	\$1,906,980

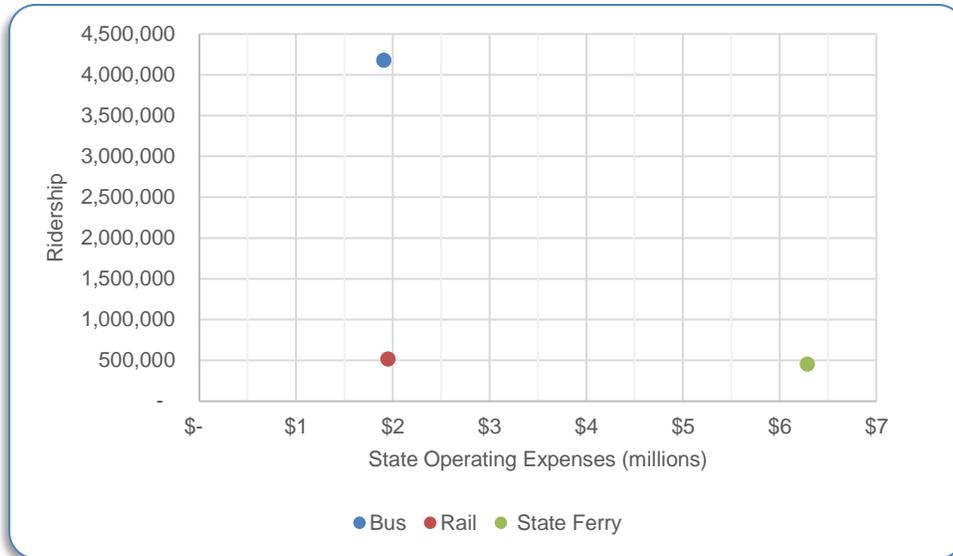
\*Percentages vary slightly year-to-year based on provider NTD reporting years

Reviewing the most recent data from the National Transit Database (NTD), outlined on the following page, we note that state funding support for public transportation operators is much lower than other modes. As shown on the following page, the state is providing only .46 cents per passenger trip, while passenger rail receives \$3.77 and the state ferry system receives \$13.87.

	Bus	Rail	State Ferry	Total
State Operating Expenses (NTD 2023)	\$ 1,906,980	\$ 1,949,799	\$ 6,285,240	\$ 10,142,019
Percent of Total	19%	19%	62%	100%
Ridership (NTD 2023)	4,179,357	517,276	453,209	5,149,842
Percent of Total	81%	10%	9%	100%
State OpEx per Rider	\$ 0.46	\$ 3.77	\$ 13.87	\$ 1.66
Population (ACS 2023)	-	-	-	1,366,949
State OpEx per Capita	\$ 1.40	\$ 1.43	\$ 4.60	\$ 7.42
Cost per Hour (NTD)	\$ 111.57	\$ 1,679.63	\$ 945.63	-
Percent of Rail	7%	-	-	-
Percent of State Ferry	12%	-	-	-
<i>To align the State's investment in bus service with its investment in the state ferry service...</i>				
Multiplier (per capita basis)	3.30			
<b>Target State Operating Expenses</b>	<b>\$ 6,285,240</b>			
Multiplier (per rider basis)	30.39			
<b>Target State Operating Expenses</b>	<b>\$ 57,960,592</b>			

The state's public transportation agencies (excluding rail and state ferry) also provided over 3.2 million passenger trips in agency fiscal years 2022, and 4.2 million passenger trips in 2023. These agencies provided approximately 81% of all public transit trips taken in Maine. It is also important to

point out that our services are more widely distributed throughout the state, reaching many more places both urban and rural. The chart below provides a visual comparison of state operating expenses provided for each mode and annual ridership figures for the most recent NTD reporting year.



## CAPITAL FUNDING

Maine Transit providers have identified capital funding needs for the next five years. These projects include:

- Maintenance Facility Rehabilitations and Replacements.
- Vehicle Replacements (buses, trolleys, and vessels).
- System Technology Updates and Upgrades.
- Transit Center and Passenger Bus Stop Improvements.

The total funding needed to meet these capital needs is \$107.2 million. The federal government provides funding on a 80/20 matching basis for capital projects, so the State funding needed to meet this need is \$21.4 million.

## Public Transit Advisory Council (PTAC)

The Public Transit Advisory Council is a voluntary board that was established by statute in 2015 to advise the Departments of Transportation, Labor and Health and Human Services on public transportation policies and priorities. The Council is charged with evaluating needs, recommending levels of service, identifying funding requirements and seeking maximum coordination of resources.

In 2023, the MTA worked with other stakeholders to improve the PTAC legislation and process by broadening membership, increasing the number of required meetings, and the election of chair/vice chair from PTAC members.

The PTAC is a great vehicle for discussing transit funding, goals and policies, and we are looking forward to the upcoming PTAC report to the Legislature, which is expected by March 1<sup>st</sup> of this year.

## **TRANSIT SERVICE GOALS**

Maine's transit regions have different needs and opportunities, ranging from Portland Metro scheduled bus routes, to Western Maine Transit commuter transportation services, to Aroostook County ride on-demand services. Each region establishes the type and level of service appropriate for its population. The MaineDOT can then work with each region to gather federal, state and local resources to meet these service needs.

The 2023 Maine State Transit Plan recommended increased transit services in these areas:

- Increased flex route frequencies on services that operate on one hour or less intervals.
- Increased availability of demand-response services for locations that are served by transit on a less-than-daily basis.
- Geographic increases in transit coverage to serve the region north of Bangor, near Lewiston/Auburn, Augusta/Waterville, the Midcoast Region, and the Norway/Oxford/ South Paris region.

Locally Coordinated Plan for Public Transportation Programs:

The following actions are recommended for MaineDOT during the immediate timeframe of the LCP period (2024-25):

- Maintain state of good repair across all transit providers by replacing aging fleets and maintaining existing vehicles, within the limitations of available funding and ongoing supply chain issues.
- Continue to improve coordination between MaineDOT and Maine DHHS. Ideally, a target date for full coordination should be identified. The release of the CCAM cost sharing model should inform this coordination.
- Develop a framework for increased technology use for transit operations, including automated fare payment, CAD/AVL, and GTFS Flex. Assess agency needs for implementing cost-effective and efficient CAD/AVL, GTFS, and automated fare payment across all operations.
- Develop a draft request for proposals (RFP) for a statewide asset management platform, including determining which features would be most relevant and useful for the agency. The RFP should also ask vendors how their product would facilitate coordination amongst multiple transit providers.
- With transit providers, identify and assess potential adjustments, including microtransit, to existing transit service as warranted.
- Work with transit providers, partner agencies, and educational institutions, as appropriate, to explore approaches for addressing driver and labor shortages.

MTA is committed to working with Governor, the Legislature and MaineDOT to develop creative solutions to solve Maine’s transit funding problem. By working together, we can make gains on all the positive outcomes that come from a strong statewide passenger transportation system and achieve our economic and climate goals. We urge the state to prioritize operating funds, capital projects and unmet funding needs that enable more transit around our state.

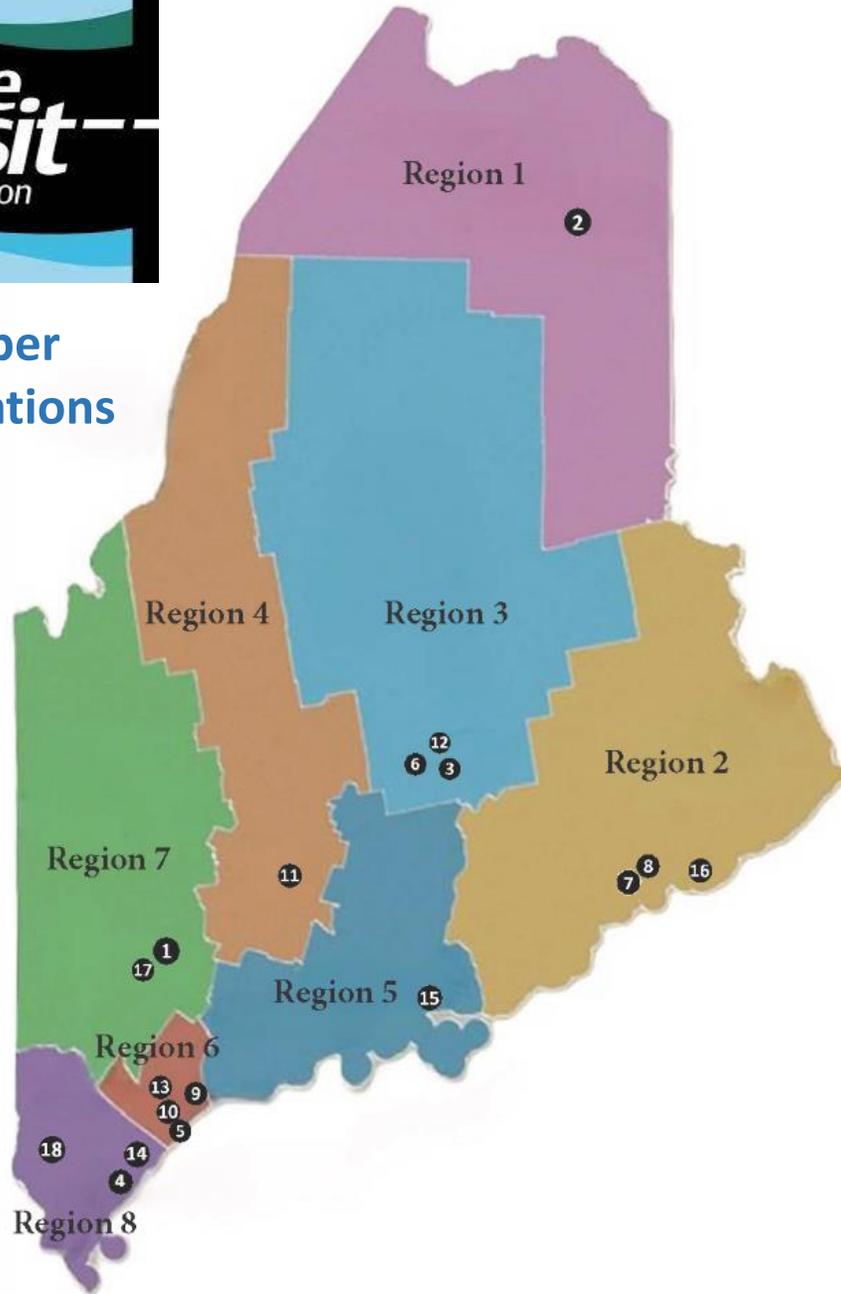
MTA is eager and available to talk with you, provide further information, and answer questions. Please feel free to contact me or our government relations team at Eaton Peabody with the contact information below.

<b>Tom Reinauer</b> <b>MTA Board President</b> Transportation Director York County Community Action Direct Line: 207-459-2930 E-mail: <a href="mailto:Thomas.reinauer@yccac.org">Thomas.reinauer@yccac.org</a>	<b>Bill Ferdinand</b> <b>Government Relations Consultant</b> Eaton Peabody Direct Line: 207-664-4091 E-mail: <a href="mailto:bferdinand@eatonpeabody.com">bferdinand@eatonpeabody.com</a>
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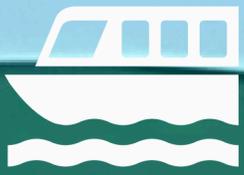
Thank you for your consideration and service to the great State of Maine.



## Member Organizations



1. [Androscoggin Valley Council of Governments/ATRC](#)
2. [Aroostook Regional Transportation System \(ARTS\)](#)
3. [Bangor Area Comprehensive Transportation System \(BACTS\)](#)
4. [Biddeford-Saco-Old Orchard Beach Transit \(BSOOB Transit\)](#)
5. [Casco Bay Lines](#)
6. [City of Bangor \(Community Connector\)](#)
7. [Downeast Community Partners](#)
8. [Downeast Transportation](#)
9. [Greater Portland Council of Governments/PACTS \(GPCOG\)](#)
10. [Greater Portland Transit District \(Greater Portland Metro\)](#)
11. [Kennebec Valley Community Action Program \(KVCAP\)](#)
12. [Penquis \(The Lynx\)](#)
13. [Regional Transportation Program \(RTP\)](#)
14. [Southern Maine Planning and Development Commission \(SMPDC\)](#)
15. [Waldo Community Action Partners \(Mid-Coast Connector\)](#)
16. [West's Transportation](#)
17. [Western Maine Transportation Services](#)
18. [York County Community Action Corporation \(YCCAC\)](#)



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association

## 2024 Information Sheet



# Community Benefits

## Health

Many transit trips require a first/last mile connection (such as walking or biking) for riders to get from the transit stop to the destination which creates an inadvertent physical and mental health benefit.

## Sustainability

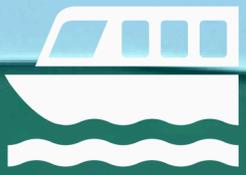
54% of Maine's greenhouse gas (GHG) emissions come from the transportation sector. Transit produces 80% less pollutants per passenger mile making it a great option for reducing air pollution and GHGs.

## Community Partnership

Transit providers are well positioned to respond to arising local needs. During the Pandemic pandemic for example, Maine's transit agencies continued to provide service in most areas and also provided free transportation to COVID-19 vaccine clinics.

## Aging in Place

20% of Maine's population is aged 65 and over. For older adults who cannot drive, public transit is vital for many trips such as doctors appointments, grocery shopping, visiting family, etc.



## 2024 Information Sheet



# Economic Benefits



Every \$1 invested in public transit generates \$5 in economic returns.

### Personal Savings

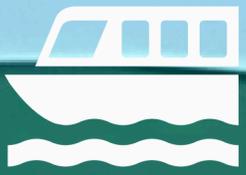
- The average 2-car household can save up to \$10,000/year by giving up one car and using public transit.

### Local Economy Support

- 87% of public transit trips have a direct economic impact on the local economy.
- Every \$10 million in capital investment in public transportation yields \$30 million in increased business sales.
- Every \$10 million in operating investment in public transportation yields \$32 million in increased business sales.

### Employment

- Public transit employs over 1,500 people in Maine with annual wages exceeding \$51 million



## 2024 Information Sheet



# Mobility Benefits

In 2022, Maine's transit systems provided over 4.5 million trips, or about 12,328 trips/day.

### **Safety**

Traveling by public transit is 10 times safer per mile than traveling by automobile. A person can reduce the chance of being in an accident by more than 90% simply by taking public transit as opposed to commuting by car.

### **Equity**

For those who can't use or afford a car, public transit provides access to jobs, education, healthcare and other vital trips. Public transportation provides opportunity, access, choice, and freedom – all of which contributes to an improved quality of life.



November 14, 2024

Bruce Van Note, Commissioner  
Maine Department of Transportation  
16 State House Station  
Augusta, ME 04333

Re: State funding for public transportation operating support

Dear Commissioner Van Note,

As you know, the Maine Transit Association (MTA) and MaineDOT worked together in 2023 to increase State funding for operations for transit providers, which had been flat-funded for many years at \$1.15 million.

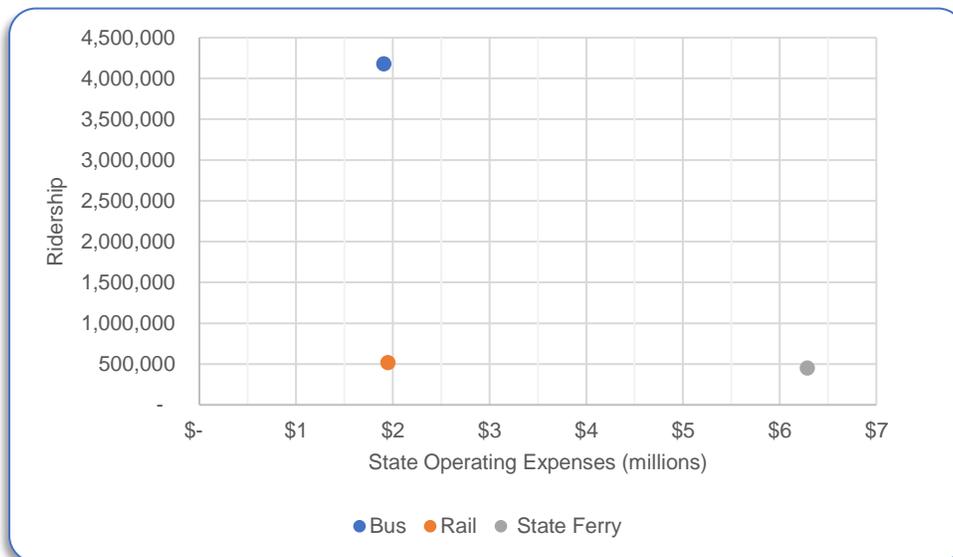
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**Based on our proposed method, the MTA is requesting that the state funding level for operations in state fiscal year 2026 be \$6.3 million.** MTA also again recommends applying a 2.0% annual escalator for a five-year period, at which point, the methodology and data should be re-evaluated and any appropriate changes made.

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The state's public transportation agencies (excluding rail and state ferry) also provided over 3.2 million passenger trips in agency fiscal years 2022, and 4.2 million passenger trips in 2023. These agencies provided approximately 81% of all public transit trips taken in Maine. It is also important to point out that our services are more widely distributed throughout the state, reaching many more places both urban and rural. The chart below provides a visual comparison of state operating expenses provided for each mode and annual ridership figures for the most recent NTD reporting year.



We appreciate the willingness of the Department to consider and provide additional state funding for operating costs in the past two years, but want to make sure that this remains at the top of both our priority lists. To that end, we have established monthly meetings between the MTA officers and MaineDOT transit staff. These meetings have been very helpful and productive.

The group has three primary tasks:

1. Review and make possible changes to the current formula for distributing state multimodal funding to the 20 transit providers. Our goal is to have this formula in place for state fiscal year 2026.
2. Develop a method for distributing the \$2 million amount MaineDOT has decided to repurpose for innovative projects, tied to recommendations in the Maine State Transit Plan. Our understanding is that these funds need to be spent by June 30, 2025. **The MTA recommends that MaineDOT continue to provide \$2 million in discretionary funding annually for this purpose in the future, in addition to \$6.3 million in operating support.**
3. Work together to agree on a state funding level for operations in state Fiscal Year 2026 and into the future. Our hope is to reach an agreement on the amount to be included in the 2026 transportation budget provided to the Legislature. As noted above, the MTA is suggesting that we utilize our proposed method for developing the annual amount, indexed with a 2% increase for each subsequent year.

During these monthly meetings and in other meetings with MaineDOT staff, we have been consistent in our message that Maine transit agencies need more state funding for operations.

We understand and agree with the Department's desire to encourage transit providers in developing new projects and services that will address recommendations from the Maine State Transit Plan. However, without the necessary state funding to assist with current operating costs it is not possible in most cases to expand services or leverage additional Federal funding.

Many providers also have existing or upcoming new projects through various Federal funding sources that have committed local funding. Without additional state funding, most transit agencies will be unable to handle additional expansions of service.

Providers have also worked very hard to keep operating costs down, but many of the contributing expenses for operating are not within an agency's control. Our members also are very adept at generating revenue for the match requirements for Federal operating funds, through municipal funding, advertising, contracted services, and employer contributions. **Last year, providers raised \$8.9 million in local municipal funding for operations, representing 12% of operating expenses. This is in addition to \$35 million in other Directly Generated funds.** However, state funding is still a critical piece of revenue for all providers. It should also be noted that fares cannot be used as local match for operating expenses.

In summary we are requesting the items below:

- Starting in state FY2026, state funding for operation should be set at \$6.3 million, and distributed between the providers using the new formula being developed by the MTA and MaineDOT staff.
- A 2% increase per year should be applied to this amount, starting in FY 2027.

- The MTA and MaineDOT should revisit this funding level after five years.
- MaineDOT should continue to provide \$2 million per year in discretionary grants for recommendations in the Maine State Transit Plan.

We appreciate our relationship and partnerships with MaineDOT, and we look forward to discussing this further with department staff over the next few months.

Respectfully,

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Bill Ferdinand, Sam Hamilton – Eaton Peabody  
Chad Heid, Josh Caldwell – PTAC Co-Chairs  
Zoe Miller, Allison Burson – Moving Maine Network