

Regional Transportation Plan Financial Strategy

Transit Operators Committee
October 22, 2025



Puget Sound Regional Council



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

RTP Financial Strategy Requirements

The plan must identify reasonably available sources and revenues to fund all investments in the plan – capital, operations and maintenance – for a financially constrained plan

- The financial strategy is not an adopted budget – it is a general plan with reasonable assumptions
- Assumptions of new or increased revenues must include strategies for ensuring availability
 - This can include necessary local or state legislative actions



RTP Proposed Investments vs. Available Revenues

- There are stark differences in the revenue gap across sponsor categories

Sponsor Category	Percentage Gap
Counties	12%
Cities	45%
Local Transit	29%
Regional Transit	0%
Washington State Ferries	8%
Washington State DOT	7%



Preliminary Approach for Potential New Revenue Sources

- From prior discussions, focus on those sources that can be implemented consistently across the region and that are more likely to generate greater potential revenue
- Five sources identified:
 - Road usage charge
 - Increased vehicle fees
 - Increased sales tax rates for local transit
 - Increased county road levy
 - Retail delivery fee



Additional Background

New Revenue Source	Default Distribution Method / Current Rates	Eligible Recipient
Road Usage Charge	Gas tax distribution = State 80%, Counties/Cities 20%	State, Counties, Cities
Vehicle Fees	Vehicle Fee distribution = State 68%, Counties/Cities 28%, Local Transit 4%	State, Counties, Cities, Transit
Transit Sales Tax	Sound Transit – 1.4% <i>Local transit capped at 1.2% with legislative approval</i> King County Metro – 0.9% Community Transit – 1.2% Kitsap Transit – 1.1% Pierce Transit – 0.6% Everett Transit – 0.6%	Local and Regional Transit
County Road Levy	Capped at 1% annual growth	Counties
Retail Delivery Fees	n/a	Counties, Cities



Local Transit Gap by Operator: Scenario 2b

Scenario 2b (millions of \$2026 dollars)

Operator	NEEDS					REVENUES	Revenue Gap	% of Local Transit Revenue Gap
	Maintenance, Preservation and Operations (Optimal State)	System Improvements			Total	Current Law		
		Regional Capacity Projects (before 2040)	Other Improvements (70% of need)	New Transit Service (2% per yr)				
Community Transit	\$7,090	\$350	\$80	\$1,480	\$9,000	\$8,400	-\$600	3%
Everett Transit	\$1,050	\$0	\$230	\$160	\$1,440	\$1,000	-\$440	2%
King County Metro	\$35,510	\$1,210	\$5,560	\$5,930	\$48,210	\$35,200	-\$13,010	71%
Kitsap Transit	\$4,760	\$190	\$30	\$770	\$5,750	\$3,400	-\$2,350	13%
Pierce Transit	\$5,000	\$50	\$310	\$1,020	\$6,380	\$4,400	-\$1,980	11%
Local Transit	\$53,400	\$1,800	\$6,200	\$9,400	\$70,800	\$52,400	-\$18,400	



Current Law Revenue Distribution by Operator

2/3 of current transit revenue is from Sales and Use Taxes.

Operator	Share of Current Law Revenue				
	Sale & Use Tax	Fares	State Grants	State Multi-Modal Fund	Federal Grants
Community Transit	71%	13%	5%	1%	11%
Everett Transit	61%	13%	6%	1%	18%
King County Metro	65%	23%	4%	1%	8%
Kitsap Transit	67%	13%	9%	2%	9%
Pierce Transit	74%	11%	6%	1%	7%
Local Transit	66%	20%	4%	1%	8%



Discussion Topics

- What sources be included in the RTP financial strategy for local transit?
- What levels or rates should be assumed?
- What additional policy issues need to be flagged for implementation? E.g.,
 - Equity and fairness considerations
 - Meeting the gaps by agency
 - Changes to current distribution methods
- Future PSRC action / work program?



Local Transit Revenue Scenario

Should a Scenario:

- Increase sales & use taxes at different levels for some or all agencies?
- Include vehicle fees?
- Other sources to consider?



Thank You!

Craig Helmann

Kelly McGourty

Director of Data

Director of Transportation
Planning

chelmann@psrc.org

kmcgourty@psrc.org



Puget Sound Regional Council