Maricopa Association of Governments Conceals True Intent of Prop 400 Plan

Last legislative session our organization led the opposition to the Maricopa Association of Governments' (MAG) Prop 400 sales tax extension, SB1356, criticizing the plan for its massive expansion of transit spending, lack of oversight, and vague allocations of spending that amounted to a slush fund for government bureaucrats. It was astonishing the lack of answers we received to simple questions about the plan and how funds would be spent.

We suspected at the time that we weren't being told the whole story and that ulterior motives were at play. Only now do we know how right we were.

Governor Ducey's veto of MAG's defective Prop 400 plan provided a reset of the Prop 400 debate. Coupled with new legislative leadership not beholden to MAG and the transit lobby, they could no longer avoid a debate of their unvetted proposal. So, after several months of legislative hearings and substantive meetings at the Capitol, what critical information has MAG been hiding from lawmakers and the public?

MAG's Plan is a Bailout for a Bankrupt Transit System

The debate around the last extension of the Maricopa County transportation tax in 2003 hinged on the idea of shifting billions of dollars away from freeway construction and into public transit. This was a major deviation from the intent of the original tax adopted in 1985 which funded 100 percent freeways. Appeals from the transit-lobby were ultimately successful and resulted in 33.3 percent of the tax being diverted to fund expanded bus operations and a new light rail system in Phoenix, Mesa, and Tempe.

Now under their new "Momentum Plan", MAG wants over *40 percent* of the tax to go toward transit, siphoning off billions from much needed freeway and roadway projects throughout the valley. MAG and Valley Metro claimed that demand for expanded bus service was the rationale for taking a larger share of the Prop 400 pie, but that wasn't it. Through record requests and inquiries by State lawmakers, it was discovered that (unsurprisingly) the Valley Metro bus system is bankrupt, and that billions are needed to make up the shortfall. So why is the existing system bankrupt? Two reasons: a massive decline of ridership and plummeting fare recuperation.

For a variety of demographic and socioeconomic reasons, bus ridership in Maricopa County has been in decline for over a decade. And after the Covid-19 pandemic, transit ridership fell off a cliff, dropping by over 50 percent and has yet to recover. As of today, transit ridership as a share of urban travel is lower than it was twenty years ago, despite massive population growth and record amounts of money spent on bus and light rail. And if almost empty buses and light rail weren't bad enough, the revenue being generated by fares from the remaining customers is almost non-existent. When the current Prop 400 tax plan was being sold to voters twenty years ago, Maricopa Association of Governments included benchmarks for "farebox" recovery for the region's transit provider, Valley Metro. They promised that fares would cover 30 percent of operational costs for local buses, 25 percent for express/Bus Rapid Transit, and 45 percent for light rail. What was fare recuperation for Maintenance and Operation in 2022? **A paltry 7 percent.**