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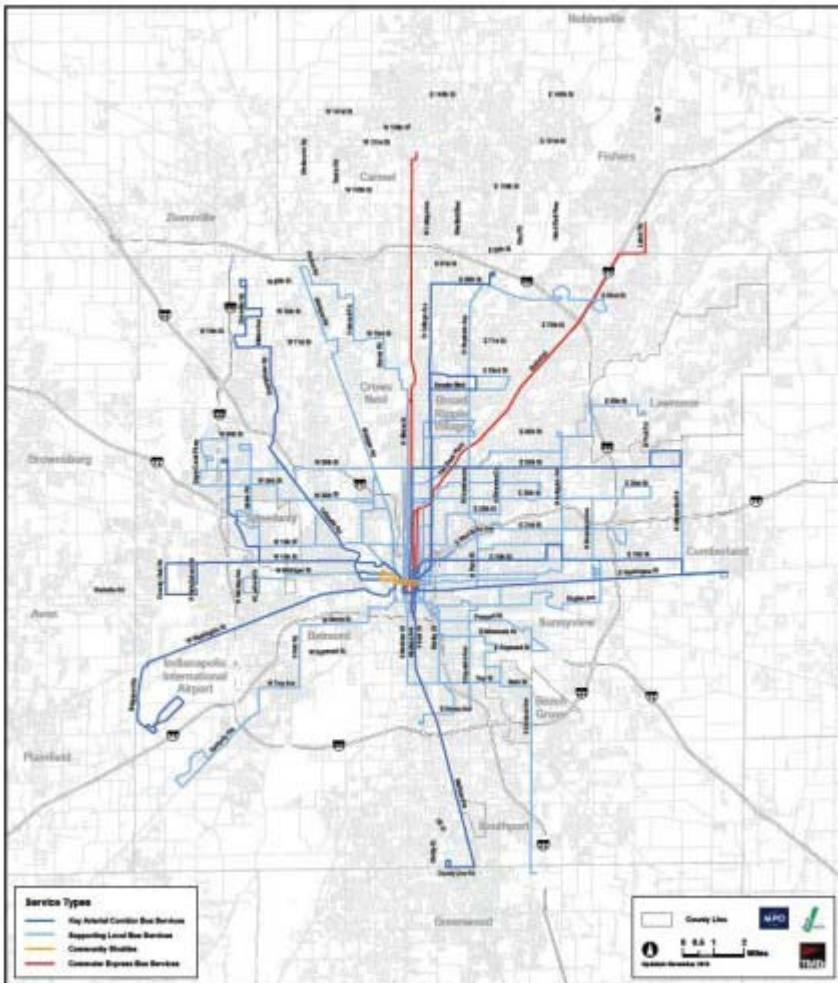


IndyGo bus on Indiana Ave (image credit: Curt Ailes)

Another year, another round of [budget shortfalls](#). The same old story for IndyGo, Indianapolis' municipal transit provider. For the 2012 fiscal year, the short fall is expected to be \$6.4 million short. At the core of the issue is existing funding sources drying up vs rising costs to do business mostly in the form of employee health care and gasoline expenses. Indeed, IndyGo has to fight for the same reasons that the Indianapolis Library system does. The recently passed property tax caps have put all taxpayer funded programs in a pinch this year. So, what do we do? According to a [story in the Indianapolis Star](#), the IndyGo board decided to put the questions again to the Indianapolis City Council. Last night, the IndyGo board voted to adopt the 2012 budget and according to IndyGo President Mike Terry, *"The IndyGo board adopted the balanced budget for 2012 which incorporated an excess property tax levy of \$.023/100 assessed valuation which will net \$6.4M necessary to fund the revenue and expense gap. The board's decision was supportive of the public's desire to not increase fares or reduce service for fixed route or para transit. The next step involves review by the city council via the municipal corporations committee. The council can approve the budget as presented, deny and leave us to operate within the 2011 revenue limits (service reductions/fare increases), or amend with revenue combinations and/or expense reductions."*

Perhaps one of the more interesting scenarios could come in the form of a denial from the council on the budget. If that were to happen, a multitude of cuts could come from reduced

service, to higher fares, etc. With the coming Indiana session will come a renewed effort to create a local funding option for dedicated transit funding. Our local transit partners IndyGo, CIRTA & the MPO under the umbrella of Indyconnect will make another strong push to our state legislators to allow us to have a referendum to more fully fund transit. Could a reduction in service or rise in boarding fares create a favorable condition for legislators to vote YES on such a bill? That could be a key question facing our local transit leaders. St. Louis experienced a similar situation a couple years ago where a major cut in transit service resulted in a successful referendum campaign to raise taxes; that led to a restoration of bus service as well as funding for new light rail lines.



Short Term Proposed IndyGo route changes (image credit: 2010 IndyGo COA)

Kevin [covered what the potential cuts in service](#) COULD look like a few weeks ago when he examined the [2010 IndyGo Comprehensive Operational Analysis](#). That document assessed the state of IndyGo's system and how cuts to funding (or conversely new funding) could affect the system's design and operation. While that plan serves as a good foundation to ask what if?, the reality is that it could be a difficult political sell to make these changes.

It remains to be seen what will actually happen if IndyGo is denied any help to their 2012 operating budget.

In full disclosure, I should note that Urban Indy was one of the first organizations to adopt a measure supporting dedicated transit funding.

Written by [Curt Ailes](#)

[Visit Curt Ailes's Website](#)

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One Response to "IndyGo's 2012 budget is \$6 million short"

1. [Matt Stone](#) says:

[August 30, 2011 at 1:14 pm](#)

Some insight into IndyGo (and to a lesser extent, library) funding:

One of the points I often heard from state legislators was that there was no need for a referendum or additional tax source since COIT can already be used, either by increasing the COIT or by giving the existing point a percentage of revenue to IndyGo.

Back when IndyGo and the library had sudden funding shortfalls in 2010, one of the ideas some came up with was tapping the consolidated downtown TIF for a temporary relief. The Mayor's office said that it's not proper or legal to use TIF money for anything not related to the TIF. This year, in the city budget, several million dollars is being "transferred" from the downtown TIF to pay for ongoing operational IMPD expenses such as office supplies, toilet paper, and the helicopter.

There is money available for IndyGo. This current bunch has more revenue coming into the city, between COIT, sales tax, property tax, and selling everything that isn't nailed down (and some that are, in fact, nailed down!), but are choosing not to use it.

The other political consideration that needs to be kept in mind is that, even though the legislature has the ability to craft Indianapolis-specific legislation (since Indianapolis is the only "first class city" in Indiana), they are often very reluctant to do so. Reasons as to why they're reluctant to do so depends on who you ask, but that's the reality of the situation.