



## Adjusting Existing Federal “Flex Funds” to Meet Demand for Improved Public Transportation in Ohio

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### Federal Highway Administration Funds: A Viable Option for Ohio’s Public Transportation Systems

The Greater Ohio Policy Center (GOPC) finds that there are opportunities to flex more available federal highway dollars (FHWA) to public transportation with minimal or no negative impact on the other transportation projects essential to Ohio.

As the 2014 Ohio Transit Needs Study documented, current levels of public transportation funding do not satisfy demand for increased and improved transit service across Ohio.<sup>i</sup> Appropriately resourcing transit systems to maintain and implement high-quality, safe service will create economically competitive cities and metros and connect our most vulnerable residents to medical treatment, commerce centers, and jobs.

### Policy Recommendation and Benefits

GOPC reaffirms the Transit Needs Study’s recommendation that ODOT increase Federal Highway Administration funding for public transportation from \$20 million to \$50 million.

**This \$30 million increase would boost funding for the state’s public transportation budget by 33% and decrease funding for highway construction and maintenance by 3%.**

An additional \$30 million in FHWA funds could:

- Support 370 new rural transit vans or 107 new full size buses per year. Ohio currently has 275 rural vehicles and 900 urban buses beyond their useful life
- Provide service to the 27 rural counties that currently have no public transportation<sup>ii</sup>
- Result in 7.5 fewer miles of highway expansion or 24 fewer miles repaired per year;<sup>iii</sup> ODOT paved 5,564 lane miles in 2015<sup>iv</sup>

Increasing the annual “flex” to \$50 million would boost Ohio’s use of flexible FHWA dollars for public transportation from 2% of available flex funds to almost 5%.

- This modest increase would have significant impact in Ohio, but would still be half the national average of 10%.
- Pennsylvania flexes over 10% of its FHWA funds for transit projects,<sup>v</sup> and Virginia, New York, New Jersey and California used over 25% of their flexible FHWA funds for transit between 2007 and 2011.

### Current Status of Transit Funding in Ohio and Peer States

Annually, in FY 2016-17

- \$60 million or 2% of ODOT’s \$2.89 billion budget will go to public transportation
- Of the \$60 million public transportation budget:



- 85% will come from federal sources, including the Federal Transit Administration and the Federal Highway Administration (FHWA)<sup>vi</sup>
- 12% from Ohio's General Revenue Fund (GRF); less than 1% of the overall ODOT budget comes from the GRF<sup>vii</sup>
- 3% from local government contributions to the state Highway Operating Fund

Ohio is ranked 38th in the nation in terms of state investment in public transportation; we spend \$0.63 per capita.<sup>viii</sup> Peers such as Michigan and Pennsylvania spend over \$24 per capita. Indiana ranks 18th in the nation for state support of public transportation and annually allocates over \$40 million in state dollars to its Public Mass Transportation Fund.<sup>ix</sup>

## Conclusion: Small Reallocation can have Outsized Impact

Under the recently passed federal transportation funding bill, Ohio's Federal Highway Administration (FHWA) funds will remain consistent for the next five years with those received in FY2016-2017. With longer-term certainty guaranteed from federal sources, Ohio can and should invest an additional \$30 million of FHWA funds in public transportation.

Investing an additional \$30 million of FHWA in public transit is a minimal amount of federal funding Ohio already receives.

Allocating \$50 million per year of FHWA to transit will have negligible impact on Ohio's crucial highway maintenance and construction program, while significantly improving the safety, performance, and use of Ohio's public transportation systems. To successfully support the state's priorities of job creation, job growth and workforce development, public transportation will be an essential component to achieving those goals. Now is the time to invest in Ohio's public transportation systems.

This Memo was researched and written by Alison D. Goebel, GOPC Deputy Director and Alex Highley, GOPC Project Associate. This research was made possible with support from the George Gund Foundation.

<sup>i</sup> Ohio Department of Transportation. "Transit Needs Study."

<http://www.dot.state.oh.us/Divisions/Planning/Transit/TransitNeedsStudy/Documents/OhioStatewideTransitNeedsStudyFinalReport.pdf>

<sup>ii</sup> "Ohio Statewide Transit Needs Study Findings Snapshot."

<sup>iii</sup> It costs approximately \$4 million per mile to expand an interstate highway from 4 lanes to 6 lanes and \$1.25 million per mile to mill and resurface according to the American Road & Transportation Builders Association. This cost estimate holds true for Ohio according to state experts. <http://www.artba.org/about/transportation-faqs/>

<sup>iv</sup> Lanes paved on page 12: <http://www.dot.state.oh.us/policy/Documents/ODOT-2015AnnualReport-2016-17BusinessPlan.pdf>

<sup>v</sup> Northeastern Pennsylvania Alliance. "Pennsylvania's 2015 Transportation Program Financial Guide."

<http://www.nepa-alliance.org/wp-content/uploads/2015-Financial-Guidance-FINAL.pdf>

<sup>vi</sup> <http://www.lsc.ohio.gov/fiscal/transportation/transbudget131/greenbook-dot.pdf>

<sup>vii</sup> <http://www.lsc.ohio.gov/fiscal/greenbooks131/dot.pdf>

<sup>viii</sup> Ohio Department of Transportation. "Ohio Statewide Transit Needs Study Findings Snapshot."

<http://www.dot.state.oh.us/Divisions/Planning/Transit/TransitNeedsStudy/Documents/FindingsSnapshotLetterSize.pdf>

<sup>ix</sup> [http://www.in.gov/sba/files/AP\\_2013\\_1\\_0\\_1\\_Directors\\_Letter.pdf](http://www.in.gov/sba/files/AP_2013_1_0_1_Directors_Letter.pdf);

[http://in.gov/sba/files/Public\\_Transportation.pdf](http://in.gov/sba/files/Public_Transportation.pdf)