

Testimony of Ohio for Transportation Equity

House Finance Subcommittee on Transportation

February 7, 2017

Good morning, Chairman Smith, ranking member Cera, and members of the Committee. My name is Akshai Singh, and I represent Ohio for Transportation Equity, which is made up of advocacy organizations, service agencies, workers, and individual citizens. We testify here today to introduce our coalition and to express our interest in working with you throughout the upcoming biennial budget process and beyond to increase Ohio's investment in accessible, affordable, and sustainable transportation options.

We are a diverse coalition, hailing from Ohio's urban, suburban, and rural areas, and with representation from a wide variety of stakeholders who are particularly concerned about Ohio's public transit systems – including people with disabilities, seniors, transit riders, bicycling organizations, human service providers, businesses, and faith leaders (See attachment for a list of co-signers to a letter to the governor late last year, upon which this testimony is based).

As you know, according to the 2015 Ohio Department of Transportation (ODOT) Transit Needs study, the state of Ohio needs \$192.4 million in capital and \$96.7 million in operating funds just to meet existing demand for public transportation services. An additional \$273.5 million in one-time funding is also needed to address system backlog and bring Ohio's transit fleet to a state of good repair. The numbers may seem high, but there have been years of deferred maintenance, as the recession took its toll and state support dwindled. The Ohio Public Transit Association estimates that 1200 of the 3200 public transit buses on the road in Ohio today are obsolete.

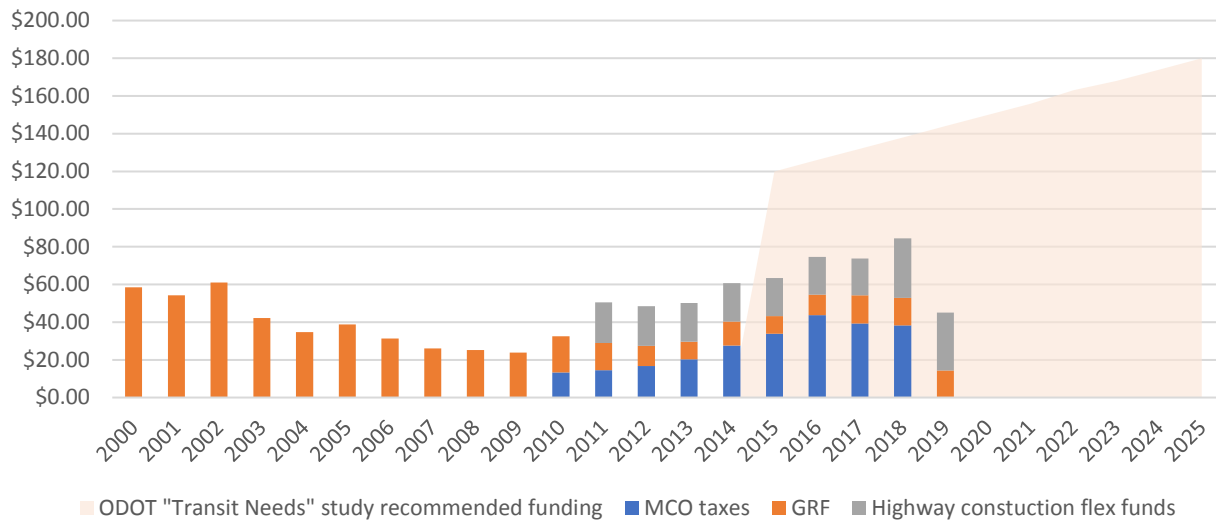
Ohio currently allocates little more than one percent (1%) of its transportation budget to public transit; unfortunately, that meager investment ranks Ohio 47th out of all other states for its commitment to public transportation. The Governor's budget for Ohio's investment in public transit falls far short of the Ohio Department of Transportation's Transit Needs Study recommendations. The chart in our testimony illustrates primary state of Ohio funding sources for public transit over time (adjusted for inflation) compared to annual state funding recommended in the Ohio Department of Transportation's Transit Needs Study of 2015.

The chart illustrates the reduction in public transit funding the Governor's budget imposes on public transit. The biggest loss stems from the removal of the Medicaid Managed Care Organization (MCO) services from the sales tax base. Because transit agencies piggyback to the sales tax, they lose revenues.

The MCO tax revenues in the sales tax base rose with the Medicaid expansion, and gave a boost to transit agencies struggling with deferred maintenance and the pressures of market demand. The Ohio Office of Management and Budget found the MCO share of local sales taxes supporting public transit was \$38.6 million a year, averaged over 2015 and 2016. State policy changes in the executive budget eliminate this revenue to local transit agencies over the course of the biennium, and also eliminate \$158 million to counties, which also piggyback the state sales tax. While the governor's budget funding in 2018 to mitigate this huge loss to counties and transit agencies, the biennial impact remains harsh. For example, the 8 public transit agencies that levy a sales tax would get \$34.5 million in 2018, a loss of \$4.1 million dollars, and nothing in 2019.¹ The rest of Ohio's 61 public transit agencies are also endangered by the revenue loss to counties, especially rural counties which frequently contribute funds and services for their transit agencies.

¹ Ohio Office of Budget and Management, Proposed transitional aid to counties and transit authorities in response to the termination of sales tax on Medicaid Health Insuring Corporations (MHICs)
http://obm.ohio.gov/Budget/operating/doc/fy-18-19/SchoolFunding/MHIC_Transition_Aid_Table.pdf

Actual funding for public transit, and recommended funding



Source: Policy Matters Ohio, based on Legislative Service Commission, Ohio Department of Taxation and ODOT data. MCO tax revenue, GRF and Highway Construction flex funds are adjusted for inflation (pegged to 2016 dollars). Adjustment for 2017, 2018 and 2019 is based in CPI-U in the LSC revenue forecast for the 2018-19 budget. MCO taxes are calendar year; the rest is fiscal year.

Over the course of the 2-year biennium, the changes to the MCO revenues in the sales tax base results in a direct loss of \$4.2 million to public transit in 2018 and \$36.8 million in 2019 – a total of \$41 million dollars. Even with the additional \$10 million a year provided in highway construction funds in 2018 and 2019, public transit has \$21 million dollars less at the end of the biennium. This figure does not include the cuts to counties, which may cause a reduction of local funding to public transit in rural areas and smaller cities and towns.

These losses follow years of declining General Revenue Fund support of public transit, which has fallen from more than \$40 million in the GRF in 2000 to \$7.3 million in the budget proposal. This is daunting for small and rural transit agencies, which lack local and state funds to provide the necessary match for federal capital dollars.

Lack of widespread public transportation has limits low-income worker's ability to access job opportunities that offer living wages. Indeed, a Brookings Institute report has shown Ohio's 3 major metro areas last in the nation for transit-accessible job growth. The lack of public transportation leaves too many people with disabilities, as well as seniors, isolated in their homes, and makes it difficult for them to get to work, access the grocery store, the doctor's office, attend faith services, participate in family and community events, and to meet their needs with dignity. It should be noted that the last U.S. Census reported that 20% of the population were individuals with disabilities.

For low-income Ohioans, the cost of driving is often prohibitively expensive, and for the elderly and persons with disabilities, driving may not be an option at all. Indeed, data indicates that 8.4% of Ohio households have no access to an automobile.

Going forward, the state of Ohio should invest in more public transportation options, including coordinated transportation services, create a more economically sustainable and accessible transportation system, give firms and workers low-cost and accessible commuting options, and reduce health-threatening emissions. Investments in accessible public transit options will also spur economic development, increase employment opportunities, and create more livable communities for all Ohioans.

This coalition recommends Ohio invest at least ten percent (10%) of its transportation budget in public transit as well as safe bicycling and pedestrian infrastructure and education, and stands ready to work with you to act upon ODOT's Transit Needs Study findings. Ten percent of the state's transportation budget would be around \$300 million a year – a little less

than Minnesota, according to the Transit Needs study, a little more than Michigan, at \$200 million, and much less than Pennsylvania, which funded public transit at \$846 million, according to ODOT's transit needs study.²

Ohio needs a 21st century transportation system, made up not only of roads and highways, but also a complete network of affordable, accessible, and sustainable transportation options, including public transit, passenger and freight rail, electric buses and vehicles, and walk-able, bike-able streets. We need at least \$300 million a year – to address the cost of backlogged capital needs, and start to build a system of transit alternatives for the future.

A greater investment in public transportation would yield significant positive outcomes not only for many Ohioans, but also to help sustain the state's economic recovery. According to the American Public Transit Association, every dollar invested in public transit generates six dollars in economic returns, and investments in public transportation projects create nearly 20% more jobs than equal investments in new roads and highways.

Thank you for your time and consideration of this important matter, and we look forward to working with you during the budget process. I would be happy to answer any questions you might have.

² Ohio Department of Transportation, Transit Needs Study of 2015, starts at slide 75, see <http://www.dot.state.oh.us/Divisions/Planning/Transit/TransitNeedsStudy/Documents/SteeringCommitteeMeeting3.pdf>

Honorable John Kasich, Governor of Ohio Riffe Center, 30th
Floor, 77 South High Street Columbus, OH 43215-6117

cc: Speaker Cliff Rosenberger
Senate President Keith Faber, Senate President-Elect Larry Obhof
Director Jerry Wray

December 14, 2016

RE: Ohio Transportation Equity Coalition

Dear Governor Kasich:

We the undersigned advocacy organizations, collaborative, agencies and communities write to introduce our coalition and to express our interest in working with you throughout the upcoming biennial budget process and beyond, to increase Ohio's investment in accessible, affordable and sustainable transportation options. We are a diverse coalition, hailing from Ohio's urban, suburban and rural areas, and with representation from a wide variety of stakeholders who are particularly concerned about Ohio's public transit systems – including people with disabilities, older adults, environmental groups, bicycling organizations, human service providers, business and faith leaders.

As you know, according to the 2015 Ohio Department of Transportation (ODOT) Transit Needs study, the state of Ohio needs \$192.4 million in capital and \$96.7 million in operating funds just to meet existing demand for public transportation services. An additional \$273.5 million in one-time funding is also needed to address system backlog and bring Ohio's transit fleet to a state of good repair.

Ohio's under-investments in public transit, over the past several decades, have left the state of Ohio's public transit system lacking. Lack of widespread public transportation limits low-income worker's ability to reach a diversity of jobs with living wages and their ability to support themselves and their families. It also leaves too many people with disabilities as well as those who are aging essentially homebound, making it difficult for them to access the grocery store, the doctor's office, and to meet their other needs with dignity.

Ohio currently allocates little more than one percent (1%) of its entire transportation budget towards public transit; unfortunately, that meager investment ranks Ohio 47th out of all other states for its commitment to public transportation. **This coalition recommends Ohio invest at least ten percent (10%) of its transportation budget in public transit as well as safe bicycling and pedestrian infrastructure and education, and stands ready to work with you to act upon ODOT's Transit Needs Study findings.** Ohio needs a 21st century transportation system made up not only of roads and highways but also a complete network of affordable, accessible, and environmentally-friendly transportation options, including public transit, passenger and freight rail, streetcars, hybrid buses, electric vehicles, and walk-able, bike-able streets.

For low-income Ohioans, the cost of driving is often prohibitively expensive, and for the elderly and persons with disabilities, driving may not be an option at all. Indeed, data indicates that 8.4% of Ohio households have no access to an automobile. Transportation also accounts for roughly 25% of all emissions in Ohio and half of the \$51.4 billion we spend on energy each year in Ohio (nearly all of which is imported from out of state).

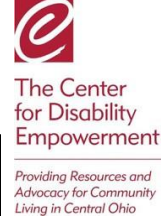
Going forward, the state of Ohio should invest in more public transportation options to reduce our vulnerability to oil price spikes, create a more economically sustainable and accessible transportation system, give firms and workers low-cost and accessible commuting options, and reduce health-threatening emissions. Investments in accessible public transit options will also spur economic development, increase employment opportunities, reduce urban sprawl and congestion, and create more livable communities for all Ohioans.

A greater investment in public transportation would yield significant positive outcomes not only for many Ohioans but also to help sustain the state's economic recovery. According to the American Public Transit Association, every dollar invested in public transit generates six dollars in economic returns, and

investments in public transportation projects create nearly 20% more jobs than equal investments in new roads and highways.

Thank you for your time and consideration of this important matter, and we look forward to working with you during the budget process. If you have questions or would like to discuss this matter further, please contact Kathy Foley of Services for Independent Living of Ohio at 216-731-1529.

Respectfully,



UHBikes

Alphabetical list of signers:

Ability Center of Greater Toledo
AccessCenterforIndependentLiving
Advocates for Ohio's Future
All Aboard Ohio
Amalgamated Transit Union Local 627 (Cincinnati)
Amalgamated Transit Union Local 268 (Cleveland)
American Council of the Blind of Ohio
Americans for Transit
Area Agency on Aging 3 (7 county region in NW Ohio)
Bike Cleveland
Catholic Social Services
The Center for Disability Empowerment
Center for Independent Living Options
The City of Lorain
Clevelanders for Public Transit
Disability Rights of Ohio
Greater Cleveland Regional Transit Authority
Greater Dayton RTA
Innovation Ohio
Joy Machines Bike Shop
Kirwan Institute
Mid-Ohio Board of Independent Living Environments (MOBILE)
MOVE Lorain County
Motorcars Mobility
National Church Residences – Center for Senior Health
Northern Ohioans for Budget Legislation Equality (NOBLE) Nuns
on the Bus Ohio
Ohio Association of Area Agencies on Aging (o4a)
Ohio Bicycle Federation
Ohio Developmental Disabilities Council
Ohio Environmental Council
Ohio Olmstead Task Force
Ohio Statewide Independent Living Council
Policy Matters Ohio
Senior Transportation Connection
Services for Independent Living, Inc.
SEIU, Local 1
Sierra Club, Ohio Chapter
Southeastern Ohio Center for Independent Living (SOCIL)
Transit Columbus
UH Bikes
The University of Cincinnati, University Center for Excellence in Developmental Disabilities

Western Reserve Area Agency on Aging
Western Reserve Independent Living Center
Women Empowered, Educated, Employed (WE3 Collaborative)