

Amalgamated Transit Union Ohio Joint Conference Board
and
Transport Workers Union

Position on House Bill 64
Specifically Transit Funding

Information Enclosed

- OPTA/ATU/TWU Letter to Ohio House of Representatives and Ohio Senate
- Amalgamated Transit Union Media Release
- American Association of State Highway and Transportation Officials Transit Funding Chart
- Amalgamated Transit Union Ohio Joint Conference Board Testimony to the Ohio House Finance Committee
- Ohio Statewide Transit Needs Study Snapshot
- Ohio Statewide Transit Needs Study Summary of Findings

May 13, 2015

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Senator,

Thank you for taking the time to consider the information we leave for you today. Collectively, we are responsible for the safe transit of most Ohioans who use transit on a daily basis. On average we serve over 300,000 riders a day statewide with ridership continuing to grow rapidly each year. It is an awesome responsibility that we take very seriously. While the good news is that there's an increase in customer use of public transit statewide - the down side is public transit in Ohio is severely underfunded.

Ohio provides among the least amount of funding per capita than any state in America, ranking behind much smaller rural states such as South Dakota, North Dakota, and West Virginia. Ohio is 14th in the nation in public transit ridership, it ranks 28th in state investments in public transit; as funding has dropped from \$43 million in 2000 to \$7.3 million in 2014 from the General Revenue Fund. Currently only 16% of public transit funding comes from the Federal government with 1% from the state. Under these terms, public transportation will not be able to continue to provide the current levels of service at these existing funding levels.

We all know that public transportation is critical in providing access to jobs, schools, doctor visits and economic opportunities. With the lack of investment in public transportation, our members see first-hand the impact of some of the steepest fare increases and deepest service cuts on those who depend on transit most and simply can no longer get to work because their ride is gone. Generally, when routes get cut, transit systems tend to look towards those with low ridership -- early morning, late night, and weekend service. People who work non-traditional hours, typically minorities who have no other means of transportation, are disproportionately affected. We see these devastating affects happening around the country, some places have totally shut down their transit system, leaving elderly and disabled people scrambling for a way to buy food and get to the doctor. This is a mobility crisis. In 2010, Greater Cleveland Regional Transit Authority (RTA) announced it would cut as many as 219 jobs and take 80 buses off the road - making the commute for suburban riders much more complicated. In Nov. 2009, the Southwest Ohio Regional Transit Authority (SORTA) in Cincinnati, announced it's first-ever layoff -- affecting more than 130 employees. In Toledo, the Toledo Area Regional Transit Authority (TARTA) Board of Trustees recently announced a likely possibility of a fare increase to take effect later this year.

According to the Ohio Department of Transportation, funding cuts by the legislature were due to the recession and emphasis on other budget priorities. Nevertheless, funding public transit should be on the top of that list of priorities. Every \$1 billion of investment in public transportation operations annually results in an average of 41,000 jobs supported for that year. These include drivers, schedulers, dispatchers, mechanics, and management staff. There are demographic trends arguing in favor of greater transit investment with Millennials showing less interest in car purchases and seniors becoming more dependent on transit as Ohioans are getting

older and poorer, especially in rural areas as noted by ODOT's Ohio Transit Needs Study this year. Lastly, while the state's population growth is slow, it is receiving an additional influx of foreign-born residents who are accustomed to transit access.

ATU and TWU are now engaged in an effort to build coalitions with the millions of people who rely on transit each day in an effort to expand and improve transit options. ATU and TWU believe that immediate steps must be taken to insure more state investments be made to public transportation. We are working closely with our members, riders, OPTA and other advocacy groups on this issue. Attached to our statement is a snapshot of the ODOT Transit Needs Study. In order to move to realize a long term funding strategy ODOT recommends an additional \$2.5 million of GRF for the biennium (FY 2016-2017). We urge you to consider ODOT's recommendation as the budget is finalized.

We look forward to working with you. We thank you for considering our views on the need for more public transportation funding.

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April 15, 2015

Hon.
State Representative/Senator
Ohio House/Senate
77 South High Street
Columbus, OH 43215

Dear:

I am writing to communicate the existing crisis with respect to Public Transit funding in the State of Ohio, and how this underinvestment negatively impacts jobs and critically needed services in Ohio.

The Ohio Statewide Transit Needs Study, commissioned by ODOT, has concluded that there is a critical need for more public transit services throughout the State of Ohio (summary attached). Some of the highlights can be found below:

Not only does the current demand for transit services exceed the existing supply by 32%, but the gap between supply and demand will grow in the years ahead.

A greater investment in public transit will provide support for Ohio's most vulnerable individuals while strengthening the vitality of Ohio's economy.

Public transit is not just an urban issue but a rural one as well. Although there is some level of Public transit in many counties in Ohio, there are currently 27 counties without any public transit.

While Ohio is 14th in the nation in public transit ridership, it is 38th in the nation in State investments in public transit, as such investments (GRF) have dropped from \$43 million annually in 2000 to only \$7.3 million in 2014.

Currently 80% of the funding for public transit is raised locally, with 15% from the Federal government and only 1% directly from state sources.

This study concludes that additional investments by the State of Ohio are critical in providing needed services that connect Ohioans with jobs, schools, healthcare, and family.

The study found that one-third of the 3,000 buses in Ohio are being operated beyond their useful life, and recommends increased investments in capital so that the many buses can be replaced with newer, more reliable and more environmentally-friendly buses.

The millennials, the younger generation are well-educated individuals who are critical to the future success in Ohio. They strongly prefer to live and work in an area where the use of public transit is a viable option in meeting their travel needs.

Although we are aware that significant debate has already taken place in the Ohio House of Representatives on House Bill 64, the upcoming biennial budget, we are concerned that the critical nature of this problem has not yet been addressed. The Ohio House reduced the Governor's recommended general revenue funding for the upcoming biennium from \$8.3 million dollars per year to \$7.3 million dollars per year, a level of state general revenue funding as in the current biennium

A greater investment in public transit means greater access to jobs, education, and health care. What can be more important to the future of Ohio? Not only does the transit industry in Ohio provide thousands jobs, the primary focus of these jobs is to take other Ohioans to work. If Ohioans can't get to their worksites, they can't get to work.

We would be pleased to meet with you to discuss this study, as well as the needs and benefits of an adequate investment in public transportation.

Labor and Management join to ask you to take bold and needed leadership and increase funding for public transit. An investment in public transit is an investment in the future of the State of Ohio and its people.

Sincerely,



Troy Miller, President/Business Agent
Amalgamated Transit Union Local 627, Cincinnati



Carly Allen, Financial Secretary/Business Agent
Amalgamated Transit Union Local 697, Toledo



Ronald W. Jackson, Sr., President/Business Agent
Amalgamated Transit Union Local 268, Cleveland



Glenn Salyer, President/Business Agent
Amalgamated Transit Union Local 1385, Dayton



John J. Remias, President/Business Agent
Amalgamated Transit Union Local 272, Youngstown



Mark Sanders, President/Business Agent
Amalgamated Transit Union Local 285, Steubenville



Ronald L. Dreyfus Jr.
President, Transport Workers Union Local 208, Columbus



Rick Speelman
President, Transport Workers Union Local 1, Akron



Dwight Ferrell, Chief Executive Officer & General Manager
Southwest Ohio Regional Transit Authority



James Gee, General Manager
Toledo Area Regional Transit Authority



Joseph A. Calabrese, Chief Executive Officer & General Manager
Greater Cleveland Regional Transit Authority



Mark Donaghy, Executive Director
Greater Dayton Regional Transit Authority



James Ferraro, Executive Director
Western Reserve Transit Authority



Susan Hogue, President and Chair Person
Steel Valley Regional Transit Authority



W. Curtis Stitt, President & Chief Executive Officer
Central Ohio Transit Authority (COTA)



Richard M. Enty, Executive Director
Metro Regional Transit Authority, METRO



AMALGAMATED TRANSIT UNION

In Historic Statewide Partnership, Ohio Transit Agencies and Labor Unions Unite to Demand Funding for Public Transit

Columbus, OH – In an unprecedented joint letter sent Monday to members of both chambers of the state legislature, sixteen public transit agency heads and labor union leaders demanded lawmakers “take bold and needed leadership” to increase transit funding or risk deepening Ohio’s economic crisis.

“A greater investment in public transit means greater access to jobs, education, and health care,” they wrote. “What can be more important to the future of Ohio?”

The joint effort, spurred by an Ohio Department of Transportation (ODOT) report that concluded more than \$560 million was needed just to adequately meet the needs of 2015, marks the first time in memory that labor and management have joined together to push for funding. The signatories represent more than 3,000 Ohio public transit workers and an estimated 300,000 transit passengers across nine metro areas:

- Cincinnati: SORTA’s Dwight Ferrell and Amalgamated Transit Union (ATU) Local 627 President Troy Miller
- Toledo: TARTA’s James Gee and ATU Local 697 Financial Secretary Carly Allen
- Cleveland: RTA’s Joseph Calabrese and ATU Local 268 President Ronald Jackson
- Dayton: RTA’s Mark Donaghy and ATU Local 1385 President Glenn Salyer
- Youngstown: WRTA’s James Ferraro and ATU Local 272 President John Remias
- Steubenville: SVRTA’s Susan Hogue and ATU Local 285 President Mark Sanders
- Columbus: COTA’s Curtis Stitt and Transport Workers Union (TWU) Local 208 President Ronald Dreyfus
- Akron: METRO’s Richard Enty and TWU Local 1 President Rick Speelman

ATU Ohio State Council President and Local 627 (Cincinnati) President Troy Miller says the situation should alarm any Ohioan, whether they live in urban or rural areas. “Every single day, more Ohioans are relying on a bus or train operator to safely bring them to work or school or the doctor, yet every day the state is investing less in transit,” Miller says. “Riders are going to make an additional 35 million trips this year according ODOT’s report, yet the Ohio House just voted to reduce funding. If that doesn’t outrage you, check your pulse.”

The situation is so dire that ODOT estimates at least one third of the state’s operational public transit buses are so old that they shouldn’t be on the road anymore.

Ohio, with a population of 11.6 million, contributes less to public transit than South Dakota, with a population of just 853,000. Despite this jarring statistic, state funding has plummeted from \$43 million in 2000 to just \$7.3 million in 2014.

Table 1-7 Reported Investment for 51 DOTs by Total Funding

State	POP AS OF 7/1/2013	FY2013 State Transit Funding	FY2013 Per Capita Funding
New York	19,695,680	\$4,465,883,700	\$226.74
California	38,431,393	\$3,040,697,663	\$79.12
Maryland	5,938,737	\$1,522,123,479	\$256.30
Massachusetts	6,708,874	\$1,392,854,042	\$207.61
Pennsylvania	12,781,296	\$1,161,119,714	\$90.85
New Jersey	8,911,502	\$1,076,490,515	\$120.80
Illinois	12,890,552	\$854,683,301	\$66.30
Connecticut	3,599,341	\$474,333,253	\$131.78
DC	649,111	\$454,788,000	\$700.63
Minnesota	5,422,060	\$307,652,000	\$56.74
Michigan	9,898,193	\$271,830,940	\$27.46
Virginia	8,270,345	\$262,284,774	\$31.71
Florida	19,600,311	\$189,254,448	\$9.66
Alaska	737,259	\$181,562,047	\$246.27
Wisconsin	5,742,953	\$106,478,300	\$18.54
Delaware	925,240	\$95,272,500	\$102.97
North Carolina	9,848,917	\$84,643,069	\$8.59
Washington	6,973,742	\$59,882,611	\$8.59
Indiana	6,570,713	\$57,909,868	\$8.81
Rhode Island	1,053,354	\$51,629,898	\$49.01
Oregon	3,928,068	\$40,394,560	\$10.28
Tennessee	6,497,269	\$40,060,100	\$6.17
Texas	26,505,637	\$31,941,067	\$1.21
Colorado	5,272,086	\$14,000,000	\$2.66
Iowa	3,092,341	\$12,898,990	\$4.17
New Mexico	2,086,895	\$7,610,500	\$3.65
Vermont	626,855	\$7,482,900	\$11.94
Ohio	11,572,005	\$7,300,000	\$0.63
Kansas	2,895,801	\$6,000,000	\$2.07
South Carolina	4,771,929	\$6,000,000	\$1.26
Oklahoma	3,853,118	\$5,750,000	\$1.49
North Dakota	723,857	\$5,296,836	\$7.32
Louisiana	4,629,284	\$4,955,000	\$1.07
Arkansas	2,958,765	\$3,481,243	\$1.18
Georgia	9,994,759	\$2,949,962	\$0.30
Nebraska	1,868,969	\$2,900,000	\$1.55
West Virginia	1,853,595	\$2,786,009	\$1.50
Wyoming	583,223	\$2,696,122	\$4.62
Kentucky	4,399,583	\$1,745,712	\$0.40
Mississippi	2,992,206	\$1,600,000	\$0.53
South Dakota	845,510	\$770,000	\$0.91
Missouri	6,044,917	\$560,875	\$0.09
Maine	1,328,702	\$547,845	\$0.41
Montana	1,014,864	\$546,025	\$0.54
Idaho	1,612,843	\$312,000	\$0.19
New Hampshire	1,322,616	\$52,597	\$0.04
Nevada	2,791,494	\$37,501	\$0.01
Alabama			
Arizona			
Hawaii			
Utah			
TOTALS	300,716,764	\$16,322,049,966	



**Statement of
Amalgamated Transit Union Ohio Joint Conference
Board
Before the House Finance Committee**

April 17, 2015

Contact:

**Troy L. Miller
President/Business Agent
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(513) 721-2133**

Mr. Chairman and members of the committee, thank you for the opportunity to testify today to talk about the importance of public transit funding in the state of Ohio.

My name is Troy Miller and I am the President of Local 627 of the Amalgamated Transit Union and also serve as President of the Amalgamated Transit Union Ohio Joint Conference Board. ATU's Ohio Joint Conference board represents nearly 3,000 members which include bus & rail operators, maintenance workers and Greyhound members. Collectively, we are responsible for the safe transit of most Ohioans who use transit on a daily basis. On average we serve over 300,000 riders a day statewide with ridership continuing to grow rapidly each year. It is an awesome responsibility that we take very seriously. While the good news is that there's an increase in customer use of public transit statewide - the down side is public transit in Ohio is severely underfunded.

Ohio provides among the least amount of funding per capita than any state in America, ranking behind much smaller rural states such as South Dakota, North Dakota, and West Virginia. Ohio is 14th in the nation in public transit ridership, it ranks 28th in state investments in public transit; as funding has dropped from \$43 million in 2000 to \$7.3 million in 2014 from the General Revenue Fund. Currently only 16% of public transit funding comes from the Federal government with 1% from the state. Under these terms, public transportation will not be able to continue to provide the current levels of service at these existing funding levels.

We all know that public transportation is critical in providing access to jobs, schools, doctor visits and economic opportunities. With the lack of investment in public transportation, our members see first-hand the impact of some of the steepest fare increases and deepest service cuts on those who depend on transit most and simply can no longer get to work because their ride is gone. Generally, when routes get cut, transit systems tend to look towards those with low ridership -- early morning, late night, and weekend service. People who work non-traditional hours, typically minorities who have no other means of transportation, are disproportionately affected. We see these devastating affects happening around the country, some places have totally shut down their transit system, leaving elderly and disabled people scrambling for a way to buy food and get to the doctor. This is a mobility crisis. In 2010, Greater Cleveland Regional Transit Authority (RTA) announced it would cut as many as 219 jobs and take 80 buses off the road - making the commute for suburban riders much more complicated. In Nov. 2009, the

Southwest Ohio Regional Transit Authority (SORTA) in Cincinnati announced its first-ever layoff - affecting more than 130 employees. In Toledo, TARTA board recently announces a possibility of a fare increase to take effect later this year.

According to the Ohio Department of Transportation, funding cuts by the legislature were due to the recession and emphasis on other budget priorities. Nevertheless, funding public transit should be on the top of that list of priorities. Every \$1 billion of investment in public transportation operations annually results in an average of 41,000 jobs supported for that year. These include drivers, schedulers, dispatchers, mechanics, and management staff.

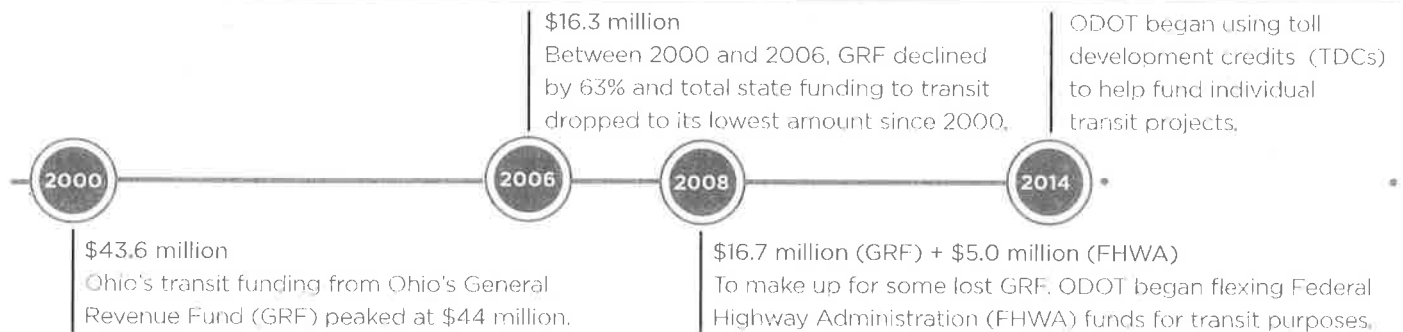
There are demographic trends arguing in favor of greater transit investment with Millennials showing less interest in car purchases and seniors becoming more dependent on transit as Ohioans are getting older and poorer, especially in rural areas as noted by ODOT's Ohio Transit Needs Study this year. Lastly, while the state's population growth is slow, it is receiving an additional influx of foreign-born residents who are accustomed to transit access.

ATU is now engaged in an effort to build coalitions with the millions of people who rely on transit each day in an effort to expand and improve transit options. ATU believes that immediate steps must be taken to insure more state investments be made to public transportation. We are working closely with our members, riders, OPTA and other advocacy groups on this issue. We look forward to working with you. I thank the committee for allowing us to share our views on the need for more public transportation funding.



FINDINGS SNAPSHOT

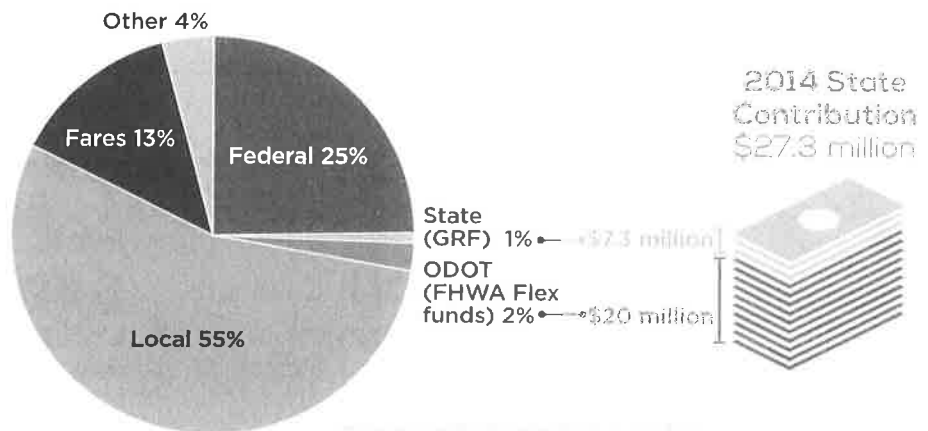
OHIO PUBLIC TRANSIT FUNDING HISTORY



CURRENT FUNDING

- In 2012, Ohio's 61 public transit systems spent close to \$900 million. The state contributed 3% of that total funding (see chart at right).
- As in 2012, the state's 2014 contribution consists of:
 - \$7.3 million from GRF
 - \$20 million flexed from FHWA funds
- Ohio's \$0.63 transit spending per capita ranks among the lowest in the nation (38th out of 51), just below South Dakota.

2012 Transit Investment
\$893.1 million



TRENDS AFFECTING FUTURE DEMAND



- Ohio is growing slowly. Most counties are expected to lose population.
- Ohio is getting older and poorer, especially in rural areas.
- Household composition and size are changing, with smaller households and fewer traditional households.
- Current growth is driven in part by foreign-born population, who tend to have more experience with and higher expectations for transit service.
- Millennials have a keen interest in transit, with many driving less and choosing to live in cities with robust transit options.
- While many larger urban areas are densifying, sprawling residential and commercial growth remains the predominant land use pattern in Ohio.

The Ohio Statewide Transit Needs Study (OSTNS) estimated that the network of transit systems in Ohio needs to provide an additional 37.5 million public transportation trips over current levels to serve unmet demand. To meet this need, Ohio should invest more resources in both transit capital (vehicles, shelters, etc.) and operations.

TO ADDRESS SYSTEM BACKLOG



CAPITAL

An additional **\$273.5 MILLION** in funding is needed to bring Ohio's transit fleet (not counting rail vehicles) to a state of good repair.

Urban

\$251.2 MILLION

is needed to replace the 900 urban transit vehicles (out of 2,700 total, not counting rail vehicles) that are past their useful lives.

Rural

\$22.3 MILLION

is needed to replace the 275 rural transit vehicles (out of 500 total) that are beyond their useful lives.

Once the vehicle backlog is met, Ohio has enough revenue to maintain its current fleet for rural and urban rubber-tired vehicles. Cleveland's rail vehicles will be due for replacement in 2025 at an estimated additional cost of **\$240 MILLION**. *Operating: current/anticipated funding from all sources will allow Ohio's transit systems to operate at present levels.

TO MORE ADEQUATELY MEET TODAY'S NEEDS



CAPITAL

In 2015, an additional **\$192.4 MILLION** is needed to purchase the vehicles and infrastructure necessary to expand transit service to meet current, unmet demand.

Urban

\$164.6 MILLION

is needed to purchase 680 additional buses and vans, and to construct passenger and vehicle facilities that support the demand.

Rural

\$27.8 MILLION

is needed to purchase 770 vehicles for additional service on existing rural transit systems as well as for new service in the 27 rural counties currently without public transportation.

OPERATING

In 2015, an additional **\$96.7 MILLION** is needed to meet the current, unmet demand of 37.5 million additional transit trips.

Urban

\$47.5 MILLION

is needed to serve these additional 35 million urban transit trips.

Rural

\$49.2 MILLION

is needed to serve an additional 0.8 million trips in current service areas, and to provide 1.7 million new trips in the 27 counties that do not currently offer public transportation.

FUTURE SYSTEM EXPANSION FUNDING GAP



The need for public transportation will increase in the future. The OSTNS estimated demand to be 140.2 million additional transit trips over what is provided today. Meeting future needs requires increased investment.

CAPITAL

Same as for 2015 (figure is annualized over the 11-year period of 2015-2025).

OPERATING

By 2025, an additional **\$562.1 MILLION** in annual funding is needed to meet future demand.

Urban

\$468.8 MILLION

is needed for 135.2 million new trips.

Rural

\$93.3 MILLION

is needed for 5.0 million new rural transit trips, including service to the 27 counties that do not currently have public transportation.

BENEFITS AND ECONOMIC DEVELOPMENT IMPACTS OF PUBLIC TRANSIT



STRATEGIES AND OPPORTUNITIES FOR IMPROVING TRANSIT

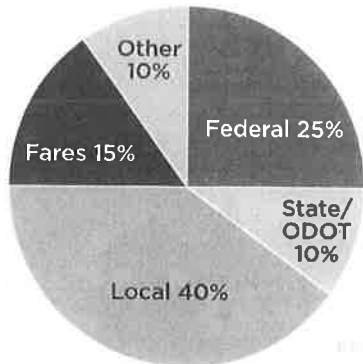
The Ohio Statewide Transit Needs Study identified nine strategies to meet transit needs and better position the state to strengthen service overall.

1. Introduce performance metrics and guidelines
2. Improve human service and public transit coordination
3. Incentivize regional services and organizations
4. Explore dedicated transit funding
5. Upgrade public information systems
6. Upgrade transit technology
7. Maximize fares and additional revenue sources
8. Address capital needs
9. Address transit service needs

THE BOTTOM LINE

To meet the 2025 funding gap, total transit funding from all sources needs to approximately double (see chart).

2025 Transit Investment Goal \$1,842 million

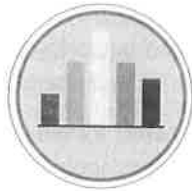


If state funding covered 10% of transit spending, costs would equal:

	CAPITAL \$37 MILLION	+	OPERATING \$83 MILLION	=	TOTAL STATE FUNDING GOAL \$120 MILLION
	CAPITAL \$55 MILLION	+	OPERATING \$130 MILLION	=	TOTAL STATE FUNDING GOAL \$185 MILLION

ODOT LEGISLATIVE BIENNIUM REQUEST (FY 2016-2017)

Moving towards this level of investment requires a longer term funding strategy. To begin, an additional \$2.5 MILLION GRF would be used to improve and enhance the following:



PERFORMANCE METRICS AND GUIDELINES:

Advance a performance measurement system. Provide an annual report to the Ohio Legislature on individual transit agency performance.

REGIONAL SERVICES AND ORGANIZATIONS:

Incentivize coordination between human service and public transportation. Incentivize collaboration and resource sharing of transit administrative and service functions. Grants may also support adding service in counties where there is none today.



TRANSIT TECHNOLOGY NEEDS:

Incentivize investment in technology. Offer one time grants to purchase technology systems and associated training that will increase service efficiency and effectiveness.

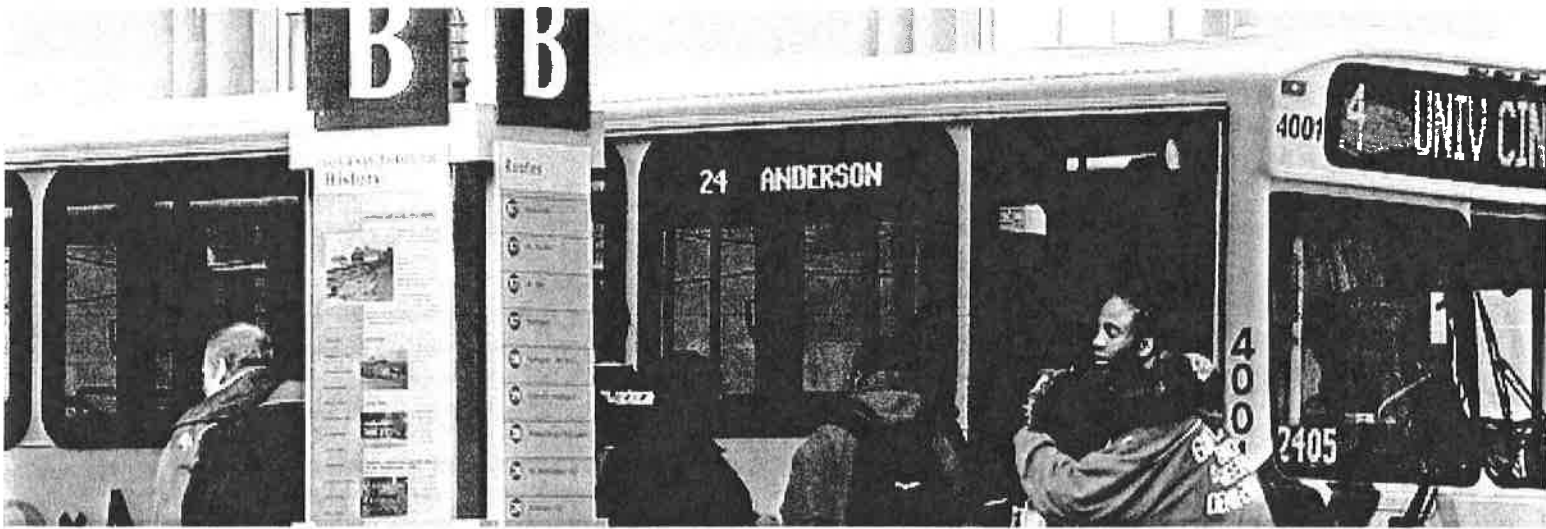
PUBLIC INFORMATION SYSTEMS:

Incentivize the implementation of improved passenger information systems. Offer grants for agencies to improve websites, system maps and schedules. ODOT will develop templates that support systems statewide.



ODOT SHORT TERM RECOMMENDATIONS

- Further explore TDCs and FHWA Flex Funds to address immediate vehicle backlog and capital needs.
- Provide staff and subject matter expertise for a Blue Ribbon Commission on Dedicated Funding.
- Establish a cabinet-level Human Service Transportation Coordinating Committee to examine statewide policies to encourage coordinated transportation services.
- Continue to advance the recommendations of the Transit Needs Study and maintain momentum for meeting the transportation needs of Ohioans.



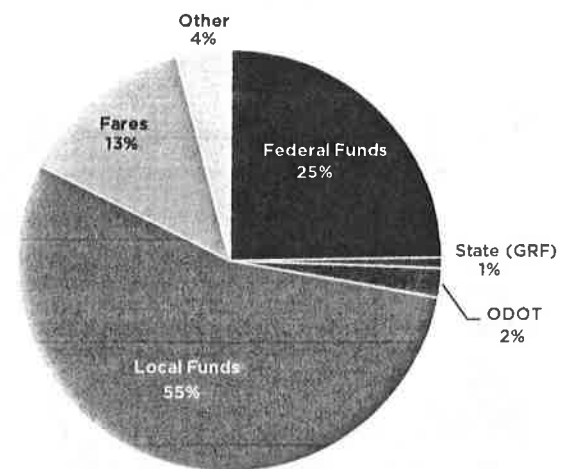
OHIO STATEWIDE TRANSIT NEEDS STUDY SUMMARY OF FINDINGS

The Ohio Statewide Transit Needs Study was tasked with quantifying Ohio's transit needs, as well as recommending programmatic and policy initiatives to strengthen the statewide transit system.

Ohio has a strong and productive transit network, with 61 public transit agencies that carry over 115 million trips a year - the 14th highest transit ridership of any state in the U.S. in 2013.

Statewide, transit agencies in Ohio spend roughly \$900 million annually providing service. Over half of the funding is raised locally through sales, business, property, and earnings taxes. A quarter of the funding comes from the federal government. The remaining 20% is raised through passenger fares, service contracts, funds provided by the State of Ohio (ODOT and the state general fund), and other miscellaneous income.

FIGURE 1 OHIO TRANSIT AGENCIES - SOURCES OF FUNDING (2012)



*Other includes advertising, contracts, and miscellaneous income.

GROWING NEEDS FOR TRANSIT INVESTMENT

The need and demand for transit is changing in response to both underlying demographic changes in Ohio's population and to cultural preferences. The evidence for these changes is clear through socio-economic and demographic data analyzed as part of this study, but also by state policy centers, such as the Greater Ohio Policy Center and the Scripps Gerontology Center at the University of Miami, and national research organizations, including the Urban Land Institute and the Brookings Institute. The Statewide Transit Needs Study also collected its own data, including surveys with transit riders, interviews with stakeholders and surveys with the members of the general public. Key findings from this collective analysis include:

Changing cultural preferences for transportation are evident from both younger (millennials) and older generations (baby boomers). A large portion of these populations express a desire to live in communities that are bikeable, walkable and have transit.

- Successful cities in the United States are investing in public transportation services and systems to respond to these preferences as part of their workforce retention and attraction strategies. In the Midwest, these cities include Minneapolis, Grand Rapids, Kansas City, and Madison.



Ohio's population is growing more slowly than many other states. In places where Ohio is adding people, the growth is largely attributable to foreign born populations. Most of these individuals are moving to urban areas.

- Foreign born populations tend to be experienced public transportation riders. Many expect and want public transportation services if they are going to make Ohio their permanent home.

Ohioans are getting older and poorer, especially in rural areas.

- Seniors and low income individuals will rely more on public transportation, putting more pressure on transit systems to meet this growing demand.

Health and human services are increasingly focused on serving people in their communities and encouraging people to stay in their homes.

- Implementing these programs requires a corresponding investment in transportation; this can be coordinated with public transportation services to reduce duplication of service and effort.

Ohioans travel across municipal and county boundaries to get to work but also for other reasons, such as shopping, school, and to access health care.

- These regional patterns include a need to travel between cities and suburbs as well as between rural areas.
- Ohio's transit agencies are largely organized around municipal and county boundaries. As a result, they are not always able to take people where they want and need to go.

URBAN TRANSIT SYSTEMS

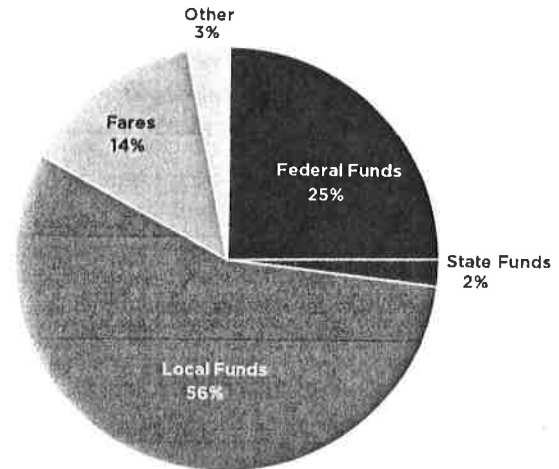
There are 27 urban transit agencies in Ohio. This network includes large transit systems operating in cities like Cleveland, Cincinnati and Columbus, as well as services in Ohio's smaller cities like Steubenville and Middletown, and suburban counties like Delaware and Medina.

The majority (96%) of Ohio's investment in transit is in its urban network. Funding for urban transit comes from a variety of sources, but local funds account for more than half of the resources. Federal funds and passenger fares also contribute significant financial resources.

There are about 2,700 vehicles (excluding rail vehicles) in the urban transit network. Nearly a third of them - or 900 - need replacing today. This backlog reflects changes in how the federal government provides funding for large investments, as well as the effects the 2008 recession had on local resources.

The analysis also shows a need for more transit service. The current system needs to provide an additional 35 million transit trips annually in 2015 to meet demand. By 2025, demand is expected to grow to 250 million annual trips. Older Ohioans will be more dependent on transit to get around, while younger, urban dwellers will choose transit over owning a car.

FIGURE 2 OHIO'S URBAN TRANSIT AGENCIES - SOURCES OF FUNDING (2012)



*Other includes advertising, contracts, and miscellaneous income.

The current (2015) investment needs for urban communities include:

- **System Preservation.** \$274 million to replace vehicles already beyond their useful lives.[^] After the vehicle backlog is addressed, \$137 million is needed to purchase vehicles expiring in 2015 and fund others facility and infrastructure needs to maintain the existing system.
- **System Expansion.** Urban systems also require roughly \$212 million to meet the unmet need. This includes operating more buses and trains for \$48 million, and a corresponding investment of \$165 million in vehicles and infrastructure.

FIGURE 3 URBAN TRANSIT INVESTMENT (ANNUALIZED, IN 2012 \$ MILLIONS)

	NEED		CURRENT/ANTICIPATED FUNDING		GAP	
	2015	2025	2015	2025	2015	2025
EXISTING SYSTEM PRESERVATION						
OPERATING	\$702.5	\$702.5	\$702.5	\$702.5	\$0.0	\$0.0
CAPITAL - NON-RAIL	\$411.0	\$98.3	\$67.8*	\$67.8*	\$343.2	\$30.5
CAPITAL - RAIL	\$0.0	\$240.0	\$0.0	\$0.0	\$0.0	\$240.0
SYSTEM EXPANSION						
OPERATING	\$47.5	\$468.8	\$0	\$0	\$47.5	\$468.8
CAPITAL	\$164.6	\$164.6	\$0	\$0	\$164.6	\$164.6
TOTAL	\$1,325.5	\$1,674.2	\$770.3	\$770.3	\$555.3	\$903.9

Note: Numbers may not add due to rounding.

Costs are shown as annualized investments to illustrate need. Investment needs are cumulative. In addition, capital project spending typically is not evenly spaced over a ten-year period.

* Anticipated capital funding based on allocations rather than historical revenues to provide a known, conservative estimate of funding. Urban capital revenues have been inconsistent historically and can fluctuate widely.

[^] Total replacement need before consideration of anticipated funding in 2015.

RURAL TRANSIT SYSTEMS

Ohio's 34 rural transit agencies spend about \$38 million a year to provide service. Although this is a small portion (about 4%) of the overall transit investment, rural services operate in 35 counties and provide more than two million trips a year.

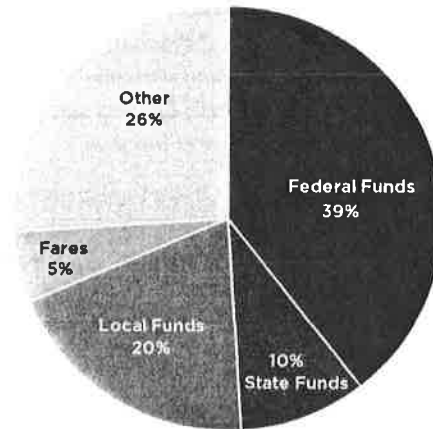
About half of existing funding for rural agencies comes from the federal government. Many rural areas also raise funds by contracting with human service agencies and other partners. Local funds, passenger fares and state funds are also important resources for the rural agencies.

There are about 550 vehicles in Ohio's rural fleet. An estimated 150 buses and vans are past their useful life and need to be replaced in the immediate term.

Rural areas also need more service. The analysis found a need for an additional one million transit trips today. By 2025, as Ohio's rural population continues to grow older and rely more on public transit, the need for service will grow to more than four million trips each year.

This estimate does not include the 27 Ohio counties that do not have any public transit service today. These communities need roughly two million trips today and are expected to need three million trips per year by 2025.

FIGURE 4 OHIO'S RURAL TRANSIT AGENCIES - SOURCES OF FUNDING (2012)



*Other includes advertising, contracts, and miscellaneous income.

The current (2015) investment needs for rural communities include:

- **System Preservation.** \$22 million to replace vehicles already beyond their useful lives, and \$11 million to purchase vehicles expiring in 2015 and fund other infrastructure needs.
- **System Expansion.** \$18 million to operate and \$11 million to purchase vehicles for additional service in areas that already have some transit.
- **New Systems.** \$48 million for transit service in the 27 counties that currently have none.

FIGURE 5 RURAL TRANSIT INVESTMENT (ANNUALIZED, IN 2012\$ MILLIONS)

	NEED		CURRENT/ANTICIPATED FUNDING		GAP	
	2015	2025	2015	2025	2015	2025
EXISTING SYSTEM PRESERVATION						
OPERATING	\$31.5	\$31.5	\$31.5	\$31.5	\$0	\$0
CAPITAL	\$33.5	\$21.4	\$5.9*	\$5.9*	\$27.6	\$15.5
SYSTEM EXPANSION						
OPERATING	\$18.2	\$37.6	\$0	\$0	\$18.2	\$37.6
CAPITAL	\$10.8	\$10.8	\$0	\$0	\$10.8	\$10.8
DEVELOP NEW SYSTEMS IN COUNTIES WITH NO SERVICE						
OPERATING	\$30.9	\$55.7	\$0	\$0	\$30.9	\$55.7
CAPITAL	\$17.0	\$17.0	\$0	\$0	\$17.0	\$17.0
TOTAL	\$142.0	\$174.0	\$37.4	\$37.4	\$95.3	\$127.4

Note: Numbers may not add due to rounding.

Costs are shown as annualized investments to illustrate need. Investment needs are cumulative. In addition, capital project spending typically is not evenly spaced over a ten-year period.

* Anticipated capital funding based on historical revenues rather than allocations. Rural capital revenues have remained consistent in the recent past, and historical revenues provide a more conservative estimate of funding.

RECOMMENDATIONS

The Ohio Statewide Transit Needs Study identified a series of recommendations that will make the transit network more attractive to riders and easier to use. These include:

- **Create a performance management system** that will communicate accomplishments and benefits achieved by the individual transit systems. This data will let taxpayers know their investments are productive and worthwhile.
- **Better match service with demand** by creating more regional transit services. We know people want to travel across city and county lines and Ohio needs more of these types of transit services. As part of developing more regional services, some transit agencies will work together more closely, while others may consolidate operations.
- **Encourage transit agencies and human service programs to work together** to leverage funding and provide more service. Coordination is especially important in rural areas.
- **Engage as many partners as possible.** Encourage transit agencies to work with large employers or local universities to share costs. In some cases, transit riders may need to pay more towards the cost of their rides.
- **Invest in transit technologies** that can make running the service easier and more efficient, such as automatic vehicle location (AVL), global positioning system (GPS), automatic passenger counters (APCs) and scheduling software.
- **Improve the ways people learn about transit service** by helping transit agencies update their public information systems. This involves developing new passenger technologies, like smart phone applications, trip planners and websites, as well as ensuring system maps and schedules are also available.

BENEFITS

Investing in transit will help all Ohioans, including those who use the service and those who do not. Increased investment will:

- **Strengthen Ohio's competitive advantage.** Ohio has a tradition of strong cities with good jobs, excellent educational facilities and world class health care. These attributes make Ohio a great place to live. We also know younger generations are mobile and will move to communities where they can easily walk, bike and take transit. Other states are making investments to retain and attract talent; Ohio must do the same to remain competitive.
- **Ensure all Ohio residents have access to some public transportation.** Expanding service to areas that currently do not have public transportation would reach an estimated one million individuals.
- **Provide access to jobs, job training, health care and basic personal services.** Expanding mobility is important statewide, but especially for people living in Ohio's small towns and rural communities, and for employers needing a workforce that can get to their jobs. Transportation needs in these areas are expected to increase as their populations grow older and poorer. Investing in services now will ensure the state has infrastructure in place to support individuals, Ohio businesses and health and human service programs.
- **Increase the cost effectiveness of the existing system.** There are too many transit vehicles in Ohio that are beyond their "useful life". If these vehicles are not replaced, transit systems will become less efficient as they spend more money repairing and maintaining vehicles.

SHORT TERM APPROACH (2015-2017)

IMPROVE SYSTEM EFFICIENCY AND EFFECTIVENESS

Request an additional \$2.5 million of general revenue funds for incentive grants. Funding will be used to:

- Advance a performance measurement system. Provide an annual report to the legislature on individual transit agency performance.
- Incentivize coordination between human service and public transportation. Grants may also support extending or providing service in counties where there is none today.
- Develop regional services. Provide start-up funding for collaboration and potentially centralizing administrative functions.
- Invest in technology. One-time grants to purchase technology systems and associated training that will increase service efficiency.
- Improve passenger information systems. Provide grants for agencies to improve websites, system maps and schedules. Develop templates to support transit systems throughout the state.

PRESERVE EXISTING SYSTEM (REPLACE VEHICLES)

Use flexible FHWA funds for transit capital investment; combine with toll development credits¹ to reduce local need.

- Expand opportunities to flex Federal Highway Administration (FHWA) funds to transit. Ohio already flexes some funding, as do local metropolitan planning organizations, but there is room to do more.
- Flex \$50 million FHWA funds annually to help replace vehicles and use toll development credits for the 10% local match. Total investment = \$62.5 million.

WORK TO ADDRESS UNMET NEEDS

Address funding issue at State policy level.

- Establish a cabinet-level Human Service Transportation Coordinating Committee to examine statewide policies to encourage coordinated transportation services. Largely aimed at rural counties and systems, this committee would include, at minimum, Job and Family Services, Medicaid, Aging, and ODOT.
- Establish a Blue Ribbon Funding Committee to identify and forward a statewide dedicated public transportation funding source. This would benefit urbanized areas and also address significant rural transit needs.



¹ Federal law allows toll development credits, or excess toll revenues, to be used by states to meet the non-Federal share of a project's cost when other state highway funds are unavailable.

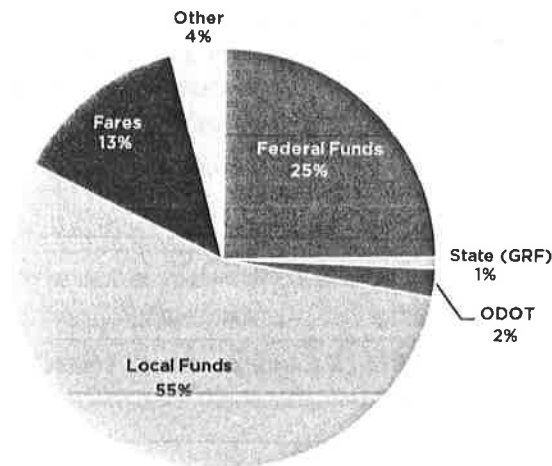
LONG TERM STRATEGIES (2018-2025)

Ohio's transit investment needs are great, but the benefits are clear. Transit investment is an integral part of Ohio's future as a vibrant, dynamic community that is attractive and affordable to all generations of Ohioans.

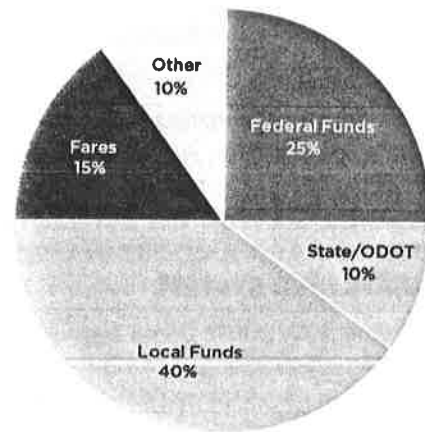
There is no simple solution to funding transit at the needed investment level. Today, communities invest nearly \$900 million with half of all funds provided locally. We know more resources are needed. All stakeholders should be working

towards doubling the amount of money invested to reach \$1.8 billion annually. Accomplishing this will require partnerships between the federal government, the State of Ohio, and local communities, along with local institutions and employers. A complete partnership also involves riders, who will be expected to pay their fair share of the service, reflecting its value to them.

2012 TRANSIT INVESTMENT = \$893 M



2025 TRANSIT INVESTMENT GOAL = \$1,842 M



*Other includes advertising, contracts, and miscellaneous income.



LONG TERM STRATEGIES (2018-2025) (CONTINUED)

In addition to working towards a funding strategy, the Ohio Statewide Transit Needs Study also recommends continuation of the policies and programs started in the Short Term Approach.

The following programs are needed to strengthen transit services, outside of financial investments:

ONGOING MONITORING AND REPORTING ON TRANSIT AGENCY PERFORMANCE AND EFFICIENCY.

- Our goal is to strengthen taxpayer, policymaker and investor trust in the effectiveness and efficiency of our transit operators.
- Performance management will require support from all partners in terms of training and education for operators struggling to stay within range of their peers.

INCREASED COORDINATION OF PUBLIC TRANSPORTATION, HUMAN SERVICE TRANSPORTATION PROGRAMS AND AGENCIES, SO THAT INVESTMENTS WORK TOWARD A COORDINATED, STREAMLINED SYSTEM.

- Our goal is for public transit agencies and human service agencies to work together to provide and fund transportation efficiently.

MORE REGIONAL SERVICES TO BETTER ALIGN TRANSIT SERVICE DELIVERY WITH TRANSIT NEEDS, SO EVEN AS OHIO EXPANDS TRANSIT INTO NEW AREAS, THERE ARE FEWER TRANSIT AGENCIES STATEWIDE.

- Our goal is to allow people to travel to neighboring counties and regional centers.
- This will likely be achieved through a combination of increased collaboration between operators and increased shared resources among transit agencies.



INVESTMENT IN PUBLIC INFORMATION SYSTEMS AND TRANSIT TECHNOLOGIES, SO THAT OHIO'S TRANSIT SERVICES ARE EASY TO USE AND UNDERSTAND.

- Our goal is to make transit services easy to use for as many people as possible.
- This will require developing simple information systems, including technology as well as printed materials.

APPROPRIATE CAPITAL INVESTMENT IN TRANSIT VEHICLES AND TECHNOLOGIES.

- Our goal is to make Ohio's fleet safe, well maintained and modern, and support transit agencies with effective technology.
- This will be accomplished through shared investment and training.