



**Senate Transportation Committee
Interested Party Testimony, State Transportation Budget (HB74 – Oelslager)
Jason Warner – Director of Strategic Engagement, Greater Ohio Policy Center
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Chair Kunze, Vice Chair Reineke, Ranking Member Antonio and Member of the Senate Transportation Committee, thank you for providing me the opportunity to share interested party testimony regarding Sub. House Bill 74, the state transportation budget for Fiscal Years 2022 and 2023.

My name is Jason Warner, and I am the Director of Strategic Engagement with the Greater Ohio Policy Center (GOPC). GOPC is a statewide non-profit organization that champions revitalization and sustainable growth in Ohio's cities and metros. GOPC is highly respected for its data-driven, nonpartisan policy analysis, research expertise, and policy development. Our mission is to improve the communities of Ohio through smart growth strategies and research for a revitalized Ohio.

Two years ago, this legislature enacted a historic state transportation budget that provided for the single-largest investment in public transportation in a generation. This investment provided the resources necessary for Ohio's public transit agencies both large and small, rural and urban, to:

- **Expand Services:** Akron's METRO RTA invested \$100,000 to support the implementation of a pilot program called FlexRide to assist in workforce transportation throughout their service region while Logan Public Transit invested \$130,000 to expand their service area and expand transportation services by providing access to medical services, pregnancy appointments, addiction treatment, WIC, workforce availability and training, food access and other quality of life opportunities.
- **Enhanced Education Opportunities:** The City of Sandusky, working with local partners including the Erie County Economic Development Corporation, Bowling Green State University, and Cedar Fair, established a new transit route that includes connections to BGSU's Fireland's Campus and the new School of Resort Management in Downtown Sandusky, as well as job centers that employ more than 1,500 workers near the Fireland's campus. Along these routes, transit funding was also able to enhance rider amenities, including the installation of more benches at popular stops and enabling Wi-Fi on buses.
- **Capital Investments:** Transit systems such as Greater Dayton RTA were able to purchase new buses to replace aging equipment as well as enhance existing services, such as The Flyer, a downtown shuttle service which runs a continuous loop that covers downtown and provides as many as 45,000 rider trips a day with stops at major employment centers, entertainment and dining destinations, amenities, and hot spots. The route is now an integral part of the downtown redevelopment efforts and was a factor in the University of Dayton's decision to lease space in the \$100 million development of the historic Downtown Arcade. Having a fast, convenient and safe way to travel between campus and downtown was a must-have for the success of this project – a key aspect of the revival of historic downtown Dayton.

- **Investing in Innovation:** NEORide, a council of governments based in Ohio, has embarked on the largest regional mobile ticketing initiative in the country, utilizing a \$3.3 million grant from ODOT to invest in a mobile ticketing system that allows transit passengers to travel between multiple counties utilizing a single fare payment system promoting regional transportation.

Then last March, the COVID-19 pandemic upended all aspects of our life in Ohio. Throughout this pandemic crisis, public transportation has continued to be a lifeline for riders taking essential trips. Transit agencies have been responding innovatively every day to provide service while protecting their operators on the front-line and making an impact in their communities.

In the earliest stages of the COVID-19 pandemic, a number of transit agencies stepped up to protect their operators and the public at large by suspending fare collections and changing boarding protocols. As the pandemic developed, transit agencies quickly pivoted to provide links to community services for vulnerable populations. For example, through novel partnerships, a number of transit agencies have been delivering meals and packages to school-aged children and seniors.

Business closures in the earliest days of the COVID-19 pandemic led to lost revenues for transit agencies that receive local sales taxes. And the suspension of fare collection by a number of agencies has ate into the largest source of revenue for many agencies. Couple these revenue reductions with the added cost of making transit vehicles clean and safe for use, Ohio's public transit agencies are reeling.

Despite this double-whammy of negative economic impacts, Ohio's transit agencies have continued to provide essential services throughout the pandemic.

The executive budget proposal, which essentially ignored the important work this legislature did two years ago, was disheartening to say the least. The proposal reducing state-based funding by 90 percent over the upcoming biennium, with a passing commitment to flex Federal Highway Administration (FHWA) funds, without identifying a specific amount, for use by transit agencies, was beyond inadequate.

Public transportation is a lifeline for millions of Ohioans, providing access to jobs, education, healthcare, and basic needs every single day. The necessity for elderly Ohioans to travel to the grocery store did not end on March 13, 2020 when the pandemic lockdowns began. The need to travel to work for the minimum-wage earning fast food worker who cannot afford a car, did not end on March 13, 2020. The need for the new mother to access healthcare for her child did not end on March 13, 2020. Yet, as we look at the proposed budget before you, with the recommended funding for Ohio's public transit agencies, you would think this was the case.

Ohio is at a crossroads. Our rural areas are facing an increasingly aging population that can no longer afford the upkeep of personal transportation or due to age or illness, cannot drive themselves to those medical appointments, jobs, or basic services they need and require. We also see growing populations in our urban cores – younger Ohioans who are moving to cities alongside the bicoastal residents that Ohio is urging to relocate here...who don't want the first purchase they make when they arrive to have to be an automobile.

For Ohio to be competitive and attractive to those younger workers we desire to see relocate here – and provide the needed access older Ohioans require to live their lives to the fullest, it is necessary for Ohio to have a robust, multimodal transportation network. The only way that we

can achieve this is for the state to partner with our local agencies to provide the necessary means to invest in public transit options across the state.

The substitute version of House Bill 74, which is currently pending in the Ohio House of Representatives, is a significant improvement when compared to the Executive Budget Proposal, increasing GRF funding to \$23.15 million per year in each of the next two years, as well as directing to ODOT to set-aside \$33 million in federal highway funds, referred to a flex funds, for use by transit each of the next two years. GOPC appreciates and acknowledges the hard work of the members of the Ohio House of Representatives to boost the commitment to transit over the next biennium.

Honoring this commitment is imperative for Ohio if we are to remain competitive in the 21st Century and provide for the needs of Ohioans of all walks of life. It is wrong for any of us, including the administration, to assume that federal CARES relief funds can and will replace the state funding commitments made two years ago. Much of what has already been received has helped to “stop the bleeding” agencies were experiencing as a result of lost revenues and assumed expenses from making transit safe to use during COVID. Going forward, funding which **may** become available as part of any future relief cannot and should not be viewed as replacement of state resources to support the important needs of Ohio’s public transit agencies – and no one should plan long-term around short-term, temporary funding.

To that end, GOPC proposes that the Senate build-upon the work of the House and adopt the following changes to the transportation budget.

Retain Existing General Revenue Funding

The historic funding approved by the legislature two years ago barely scratched the surface in addressing the needs of Ohio’s public transit agencies. Despite one-time funding that has been provided at the federal level to address the needs of transit agencies as they have struggled to cope with the COVID-19 pandemic, this does not address the long-term needs of transit systems across the state. As I noted, prior to COVID, transit agencies large and small were investing in not only capital needs, but developing new transportation options to ensure that the needs of the riding public and the communities they serve were being addressed.

The legislature must maintain this partnership with local agencies and maintain funding in the range of \$50 to \$70 million per year so that agencies like the Sandusky Transit System can continue to provide transportation to students and workers.

Increase Flex Funding for Use by Transit Agencies

Two years ago, the legislature intervened to ensure that ODOT used all of the available FHWA funding that it had at its disposal for surface transportation projects, ending a decade-long practice of using these “flexible” dollars for use towards other transportation options, like public transit.

ODOT and the DeWine administration have pledged to resume the practice of flexing these dollars to transit projects, but has so-far not committed to a specific dollar amount.

Flex funding is an important tool that Ohio’s larger transit agencies can access for meeting their capital needs. Because of the nature of their use, flex funding requires a local match to draw down funds, and also are provided as a reimbursement, not as a co-payment, limiting the number of transit agencies that can access these funds.

GOPC urges the legislature to direct ODOT to flex up-to \$50 million per year for public transportation. Access to flex funds by Ohio's larger transit systems will ensure there is more of the allocated GRF funds for use by Ohio's smaller transit systems that lack the necessary resources to meet the matching requirements of flex funds, and ensures that funding is available to meet the outstanding capital needs of Ohio's transit systems.

Study Long-term Dedicated Funding Options for Transit

Twenty-five states, along with the District of Columbia, currently dedicate funding specifically for public transportation. These funds provide transit agencies with the needed funding to provide basic services and maintain efficient fleets.

GOPC has long advocated for Ohio to establish a form of dedicated funding for the exclusive use of Ohio's public transit agencies. Such funding is necessary and predictable, and ensures that Ohio's systems do not need to return year after year to the legislature with a hand outstretched asking for help. While Greater Ohio and others have in the past provided the legislature with recommendations on ways that this can be achieved, we believe that it is paramount for the legislature to take the lead on this effort and determine how best to dedicate this necessary funding to Ohio's transit agencies.

That is why GOPC is urging lawmakers to establish a joint legislative study committee tasked with identifying and implementing a source of dedicated funding for Ohio's public transportation agencies. This study committee can devote the necessary time to thoroughly and efficiently investigate all possible sources of funds for Ohio's dedicated transit funding and enact the necessary legislation to ensure such funding is in place by the start of the next biennium in July of 2023.

To conclude Madam Chair, thank you for providing me with this opportunity to provide testimony on House Bill 74, the state transportation budget for Fiscal Years 2022 and 2023. I appreciate your attention to my remarks and I would be happy to address any questions that the members of the committee may have.