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Kasich budget doesn't address Ohio's transit needs Policy Matters calls for state to increase investment

The transportation budget recently passed by the Ohio House of Representatives fails to meet Ohio's growing needs for public transportation and further stresses local transit agencies.

In testimony before the Senate Transportation, Commerce and Workforce Committee today, Policy Matters Ohio consultant Jack Shaner called for the state legislature to adequately invest in public transportation. He said Ohio needs a long-term solution for changes to the state sales tax that slash funding for local transit agencies.

Changes in federal rules required Ohio to broaden the base of the managed care organization provider tax, currently in the sales tax. The state opted for a solution outside of the sales tax. Counties – which frequently support local public transit – and some transit agencies depend on local sales taxes levied on the state sales tax base. Together, they will lose around \$200 million a year. The executive budget provides transitional aid but no long term solution.

“By 2019, transitional aid vanishes,” Shaner said. “The eight public transit agencies that levy a sales tax would get \$34.5 million in ‘transitional aid’ 2018 -- \$4.1 million dollars less than they averaged, as a group, in 2015 and 2016. The other 53 public transit agencies across the state are also endangered by the revenue loss to counties, which contribute to public transit operations, particularly in rural places.”

The Ohio Department of Transportation Transit Needs study of 2015 identified a gap in public transit needs of \$650 million in 2015, rising to more than \$1 billion by 2025. Backlogged maintenance and repair required \$273 million in 2015. The study recommends the state provide \$120 million a year for transit, rising to \$185 million a year by 2025. The executive budget, which provides \$7.3 million in general revenue funds and \$33 million in federal highway flex funds, continues a long-time trend of underinvestment in transit, Shaner said.

“Lack of reliable transit beyond conventional 9 to 5 work hours makes it particularly hard for service and manufacturing workers,” Shaner said. “Weak transit particularly hurts Ohioans with disabilities. Older Ohioans, who may have stopped driving, need options. And the young people we say we want to attract repeatedly voice a preference for transit, bike paths, and walkable neighborhoods.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*

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