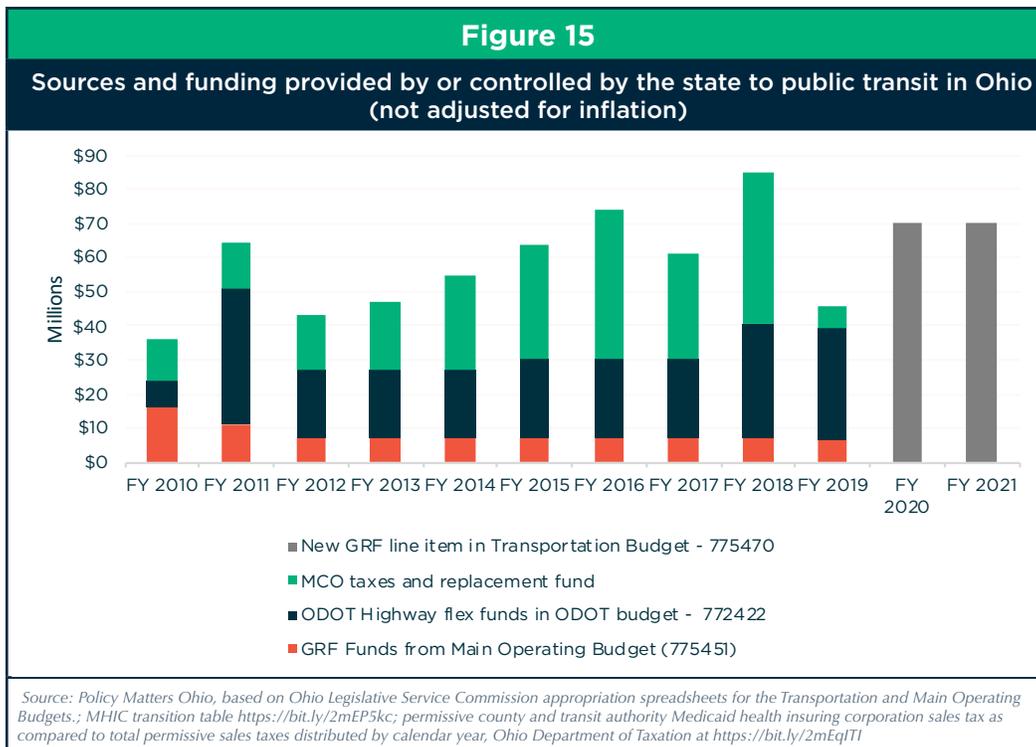


Public Transit

Ohio underinvests in public transit and has done so for decades, routinely spending less than 1% of its multi-billion-dollar transportation budget on public transit. The state's share increased to about 1.6% of Ohio's \$8.5 billion biennial transportation budget for 2020 and 2021, a step in the right direction, but an amount that is still less than half of the \$150 million per year recommended by the Ohio Department of Transportation's in its 2015 Statewide Transit Needs Study.¹

In the transportation budget for 2020-21, lawmakers approved GRF expenditure of \$70 million a year (\$140 million over the two-year budget period.) This amount is nearly double previous state allocations for public transit. Eight transit agencies, including some of the state's largest systems, relied on a local sales tax, and faced loss of millions when the state took the Medicaid Managed Care Organization tax (MCO tax) out of the sales tax base. The new allotment replaces this loss on a state-wide basis.²

Figure 15 illustrates the policy changes Ohio state actions have imposed on public transit, including the change to the MCO tax.



The loss of the MCO revenue was concentrated in just eight public transit agencies with a sales tax. Some will struggle more than others. Cleveland’s Regional Transit Authority (RTA) estimated they would lose \$20 million per year from elimination of the MCO tax. The state provided RTA \$28.3 million in one-time aid for the transition during 2018,³ but that aid has ended. This past summer Cleveland residents considered two alternatives for the thinly-stretched public transit system: one with wide-spread service served no more than once an hour, and one with skeletal service, which buses serve at 15 minute intervals.⁴

The Federal Reserve Bank of Cleveland emphasized the importance of public transit, especially to a city like Cleveland, with a high share of residents who live in poverty:

Research finds that poor job accessibility tends to significantly increase the duration of joblessness among lower-paid displaced workers, especially for minorities, females, and the elderly. Longer commute distances have also been found to negatively impact the economic mobility of low-income households from one generation to the next, a finding that resonates here in northeast Ohio, which has among the lowest upward-mobility rates in the country. For many workers who rely on public transportation to get to work, then, buses and trains connect them not only to a job, but also to a livelihood—and play a role in positioning these workers and their children for future success in life.⁵

The same report noted that the Brookings Institute found Cleveland’s metropolitan area experienced the largest drop (27%) in the number of jobs near the average resident from 2000 to 2012 among the 96 largest metropolitan statistical areas (MSAs) in the United States, highlighting the vitally important role of public transit in getting people to far-flung employment opportunities. Their study found this hurts workers and employers alike. Findings included: ⁶

- Jobs are the least accessible for workers with only a high school degree and for positions that pay less than \$1,250/month.
- Half of Northeast Ohio’s top 10 employment centers have access to just 15% or less of the regional workforce.

Public transit is an important work support. In Ohio, six of the 10 most common occupations pay too little to eliminate the need for food assistance for a family of three.⁷ Working people who struggle to afford food likely struggle to pay for a car. As Ohioans age, public transit is important for getting to doctor’s appointments and staying independent. In 2015, public transit across Ohio provided 115 million rides, but failed to meet market demand by 37.5 million rides. People in rural areas are especially harmed: There are 27 counties in Ohio without any transit service. An estimated one million rural Ohioans would be helped by expanding public transit into rural communities.⁸ The state could play a critical role in strengthening families, the economy and opportunity for residents with stronger support of public transit.

Public transit is served by agencies and funding streams across state government. The Ohio Department of Transportation's 2015 Transit Needs Study identified roughly \$250 million in annual transportation services currently provided by individual agencies in silos across state government.⁹ For instance, the Department of Medicaid funds Non-Emergency Medical Transportation for Medicaid patients to get to medical appointments. Other transportation services are provided through a number of agencies including serving our aging population, people with development disabilities, veterans, victims of domestic violence and more. By pooling these funds at the state or regional level, and contracting with Ohio's public transit systems to provide these services, Ohio can take a more holistic approach to meeting Ohio's transportation needs.

The Kasich Administration started a process to align the various individual agency transportation services and funding with Ohio's public transit system. Prior to the next budget season, the new administration should continue the work of aligning individual agency transportation services and funding with Ohio's public transit system.

The state budget needs to fund far greater transportation equity.¹⁰ The federal government has long held a policy for an 80/20 split in funding between highways and public transportation (80% highways, 20% public transit).¹¹ In actuality, federal allocations for public transit come up a little short, with FY2017 federal transit funding securing 17.4% of total federal transportation funds.¹² Ohio should mirror this policy. At the very least, the State of Ohio should follow the recommendations made in its own study of public transit needs.

In 2015, the statewide public transit study¹³ recommended the following steps to reach 2025 funding needs; these recommendations have yet to be adopted:

- Establish a statewide dedicated funding source for transit to ensure consistent and appropriate funding for the 61 transit systems. A dedicated source is essential to allow transit agencies to restore the fleet and make long-range plans for services and investment.
- Use more highway flex funds to support public transit. The state should flex at least \$50 million annually in flexible Federal Highway Administration.
- Have the state contribute 10% of costs for total public transit needs. This sum was \$120 million in 2015, and rises annually to \$185 million in transit a year by 2025.

Ohio needs a more a sustainable, equitable and environmentally-friendly transportation system that includes not only roads and highways, but also a complete network of public transportation, and bikeable, walkable streets.

Endnotes

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3. Ohio Department of budget and Management, "Medicaid local sales tax transition_web1" spreadsheet of transition aid.
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5. "A Long Ride to Work: Job Access and Public Transportation in Northeast Ohio," Federal Reserve Bank of Cleveland, November 23, 2015 at <https://bit.ly/1MPIHGu>
6. Ibid.
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12. U.S. Dept. of Transportation, Federal Highway Administration, Office of Highway Policy Information, Highway Statistics 2017: Status of the Federal Highway Trust Fund – 2017 <https://www.fhwa.dot.gov/policyinformation/statistics/2017/>.
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