



**PRESS STATEMENT**  
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## **House makes improvements, but transit revenue shortfall still looms**

State budget makers are traveling in opposite directions when it comes to investing in public transit. The Ohio House of Representatives voted to earmark funds for Ohio's public transit fleet, but did not fix a looming revenue shortfall for transit agencies.

[Ohioans for Transportation Equity](#) - a coalition of groups representing people with disabilities, agencies on aging, environmental groups and other public transit advocates - says the House took steps forward with the budget it passed Tuesday. It voted to earmark \$15 million in 2018 and again in 2019 from a forthcoming settlement fund to help local transit agencies replace their aging fleet of vehicles. Unfortunately, the House did not improve upon the Governor's request for \$7.3 million in annual general operating support for transit, which has fallen from the state's peak of \$45.6 million a year in 2002. By 2025, Ohio needs to invest \$185 million a year in transit, according to the 2015 Ohio Department of Transportation's "Ohio Statewide Transit Needs" Study.

"Thanks to the House, many people who rely on public transit may soon be riding on new buses," said -----, a member of the [Ohioans for Transportation Equity](#) coalition. "But those new buses may sit idle if transit agency budgets are drained by the governor's proposal to narrow the sales tax base." Public transit agencies can levy a local "piggybacked" sales tax on the state base. Due to changes in federal regulations, the governor proposed moving a tax on certain health care services from the sales tax to the insurance tax. As a result, eight of Ohio's largest agencies will lose a collective \$40 million.

Kasich's budget proposes one year of transitional aid, but then transit systems and counties that depend on sales tax revenues fall off the cliff in 2019. Smaller urban and rural transit systems may also lose supplemental funding from county governments, which also lose significant funds from the change to the sales tax base.

"Each day, more than 300,000 Ohioans get to work, the doctor, and the grocery on public transit," said -----, another member of the coalition. "Ohio must begin regarding public transit as an integral part - not an afterthought - to a modern, sustainable, affordable and accessible statewide mobility system that meets all residents' needs."

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## Background

For years, [Ohio's state government has underfunded local public transit](#). According to ODOT's own [Ohio Statewide Transit Needs Study](#) released in 2015:

There is an urgent need to bring local transit vehicle fleets up to a state of good repair:

- \$273.5 million (\$251.2 million for urban and \$22.3 for rural transit systems) in capital funding is needed to bring the current fleet of transit vehicles to state of good repair. Some 900 urban and 150 rural transit vehicles are beyond their useful life yet still in use, according to the study.
- And additional \$192.4 million (\$164.6 million for urban and \$27.8 for rural transit systems) in capital funding is needed to purchase the vehicles and infrastructure necessary to expand transit service to meet current, unmet demand.
- 27 rural Ohio counties have no public transit service at all.

There is also an urgent need of additional operating support to meet current demand for public transit rides. The ODOT study identified the need for:

- \$96.7 million (\$47.5 million for urban and \$49.2 million for rural transit systems) in additional operating support is needed to meet the current, unmet demand of 37.5 million additional transit trips that existed in 2015, when the study was released. Ohio's 28 urban and 33 rural local transit systems currently provide 115 million trips per year.

The need for public transportation will increase in the future. Meeting future needs will require increased investment.

By 2025, an additional \$1.03 billion (\$273.5 for the existing system backlog of deferred capital maintenance, \$903.9 million for urban and \$127.4 million for existing rural transit systems and expansion for service in the 27 rural counties without any public transit) will be needed to meet future demand.

The study estimated demand in year 2025 to be 250 million transit trips per year; compared to 115 million trips that currently are provided each year in Ohio.

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