



October 2024

# **Ohio public transit needs more state funding to connect communities**

Lila Wright | Joseph Liang | Molly Bryden

When states adequately fund public transit, individuals, families, and communities have better ways to get from point A to point B — and points C, D, and beyond. Whether people use it to commute or run errands, visit the doctor or check in on a grandparent, safe and reliable public transportation helps people get around without relying on costly, carbon-emitting personal vehicles.

Ohioans need high-quality public transportation, especially since owning and operating a car is unaffordable for many: Transportation was the fourth-largest household expenditure in the U.S. in 2022, with households spending about \$12,295 annually,<sup>1</sup> about 16.5% of the national median household income.<sup>2</sup> More than 90% of these expenses go toward buying, maintaining, and operating cars.

Car travel is the leading mode of transportation in the U.S., despite the rising costs of vehicle ownership and maintenance. Household spending on transportation increased by 30% between 2020 and 2021, followed by a 25% increase in gasoline prices in 2023 — a key driver of U.S. consumer inflation that year.<sup>3</sup>

The rising costs of transportation are felt more acutely by families with smaller household budgets. In fact, **transportation burdens** (total transportation costs as a share of household income) can be as high as 30% for low-income households, compared to an average of 16% across all income groups.

Aside from the economic costs, owning and operating a private vehicle has a significant negative impact on the climate. The U.S. Environmental Protection Agency (EPA) estimates that a typical passenger vehicle emits about 4.2 metric tons of carbon dioxide per year, depending on the vehicle's power source, fuel economy, and the number of miles driven.<sup>4</sup> A similar amount of emissions would be produced by burning 473 gallons of gas or 4,631 pounds of coal. Offsetting those emissions would require recycling 1.5 tons of waste — 183 trash bags — instead of sending it to a landfill.

## What drives transportation inequity in Ohio?

While the average American household owns one or more vehicles, many Ohioans can't afford to do so, instead relying on public transportation to get where they need to go. Ohio policymakers have long viewed public transit as a last resort for those who cannot drive their own cars, rather than a way to expand Ohioans' options for getting around — a view reflected in their funding priorities. As a result, public transit riders often deal with delays and inconsistent route schedules, largely due to inadequate state investments.

Transportation projects have historically been rooted in racism. The creation and placement of highways helped divide communities by race when legal segregation

---

<sup>1</sup> Based on 2022 data from the [Transportation Statistics Annual Report 2023](#), U.S. Department of Transportation, Bureau of Transportation Statistics.

<sup>2</sup> [Median Household Transportation in the United States](#), 2022 estimate, U.S. Census Bureau.

<sup>3</sup> ["The High Cost of Transportation in the United States,"](#) Institute for Transportation and Development Policy, 2024.

<sup>4</sup> [Greenhouse Gas Equivalencies Calculator](#), U.S. Environmental Protection Agency, January 2024.

ended. “Walkability” projects often have implicit goals of gentrification.<sup>5</sup> Redlining practices drove local planning decisions, favoring white communities. Decades of disinvestment in historically redlined communities’ public infrastructure has led to unreliable public transit systems, mainly funded by local tax dollars. Neighborhoods need state-funded public transit systems so that riders who rely on or choose transit can access a safe and reliable transit system.

Because Ohio has a history of prioritizing investments in road and highway infrastructure over public transit, there is a de facto need to own private vehicles. This exacerbates economic inequalities and worsens climate conditions. Ohioans deserve a choice in how they meet their transportation needs. Reevaluating Ohio’s transportation system and increasing state spending on public transportation would alleviate transportation costs for many Ohioans while providing a wide range of related benefits for our communities.

## **Ohio needs affordable transportation options**

Ohio’s major cities have dense populations facing unique economic conditions. In 2023, Cleveland was ranked as the second poorest city in the U.S., with extreme child poverty and high poverty rates among the working age population (ages 18-64).<sup>6</sup> These rates have continued their upward trends as poverty deepens.

Given Cleveland’s poverty rates and the increasing costs of private transportation, one might assume that public transit would be widely used, and affordability would be a priority. Yet from 2006-21 Cleveland’s transit fares doubled while service was cut by 25%. According to Clevelanders for Public Transit, GCRTA riders in 2021 paid a larger share of their income for transit than residents of nearly any other mid-sized city in the U.S.<sup>7</sup>

Access to reliable transportation is key to many Ohioans’ ability to meet their daily needs, such as taking children to school or running out to buy groceries, yet it is not affordable for the families who need it most and too inconvenient for those who would want to choose transit rather than rely on a car. After decades of underinvesting in Ohio’s public transit systems, lawmakers must reverse course to improve service and affordability for existing and prospective transit riders – whether they use transit out of necessity or personal preference.

### **How Ohio funds public transit**

Ohio funds public transportation through appropriations from the General Revenue Fund (GRF) in the main operating budget,<sup>8</sup> plus federal investments and local matches

---

<sup>5</sup>[“Racism has shaped public transit, and it’s riddled with inequities.”](#) Christof Spieler, Rice University, Kinder Institute for Urban Research, August 2020.

<sup>6</sup>[“Cleveland is again the second poorest city, but there is some good news on race and gender.”](#) The Center for Community Solutions, September 2023.

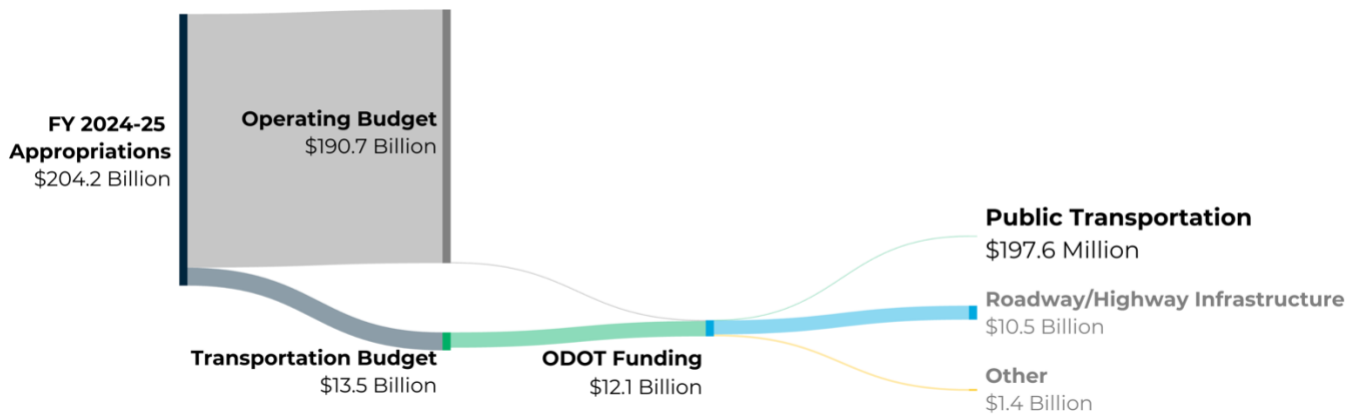
<sup>7</sup>[“Ending the Transit Death Spiral: A Positive Vision for Public Transit in Greater Cleveland.”](#) Clevelanders for Public Transit, August 2021.<sup>7</sup>

<sup>8</sup> HB 33, passed in 2023 for FY 2024-2025.

appropriated in the transportation budget.<sup>9</sup> In total, Ohio appropriated \$197.6 million for public transportation in FY2024-25: less than \$200 million over two years, divided among 27 urban transit systems and 38 rural transit systems.<sup>10</sup> The state share of those funds (\$74 million) is crucial, especially since the federal share (roughly \$120.5 million, more than 60% of the total) is restricted to competitive grants and formula programs, and cannot be used for operations (e.g. bus maintenance or drivers' salaries).

Aside from \$3.1 million in local matching funds for the Specialized Transportation Program, most remaining funding for public transit in Ohio comes from local sources, like local taxes or contributions from local governments.<sup>11</sup> Overall, public transit funding accounts for just 1.5% of the state's \$13.5 billion transportation budget in FY 2024-25. Most of that budget (\$11.5 billion, or 85%) goes to the Ohio Department of Transportation (ODOT), which also receives \$654 million from the operating budget.

**Figure 1**  
**Funding for public transportation comes from the Transportation Budget and the Operating Budget, through ODOT**



Local and federal funding for public transit have grown in the last four decades, while the state has done too little to support it. The GRF provided \$41 million a year in 1989 and \$46 million a year in 2002 with funds decreasing to range between only \$6.5 million and \$7.3 million between FY 2012 and FY 2019.<sup>12</sup> Funds currently sit at \$37 million a year for FY 2024-25. To maintain funding levels from the early 2000s, keeping pace with the current rate of inflation, that number should be around \$80 million today. GRF funding is the

<sup>9</sup> HB 23, passed in 2023 for FY 2024-25.

<sup>10</sup> [Department of Transportation Greenbook](#), LBO Analysis of Enacted Transportation Budget, Category 4: Public Transportation, August 2023.

<sup>11</sup> The Specialized Transportation Program is a federal program designed to expand mobility options beyond fixed-route services for transit-dependent populations in small urban and rural communities, like seniors and people with disabilities. The Federal Transit Administration funds Ohio's program at 80%, while a local match from participating transit agencies covers the remaining 20%. According to the [Department of Transportation Greenbook](#), "ODOT requires the funding to be paid to the Department up front, and then purchases vehicles on behalf of the recipient agencies."

<sup>12</sup> ["How Ohio funds public transit,"](#) Wendy Patton, Policy Matters Ohio, May 2017.

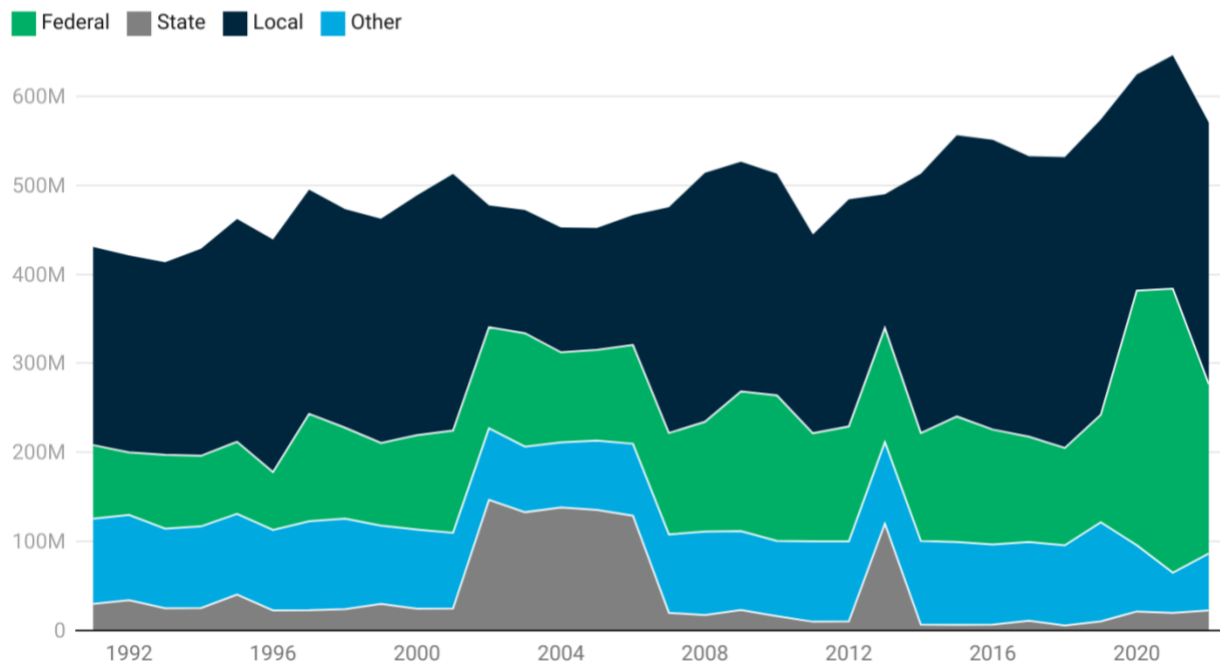
only state-generated funding for public transportation in Ohio and is necessary to make improvements to transportation systems.

Figure 2 breaks down local transit agencies' funding reports to the Federal Transit Administration (FTA), by funding source,<sup>13</sup> illustrating increasing levels of federal and local funding over three decades while state funding levels remain relatively stagnant. It is worth noting as well that the stagnant state funding band, when coupled with inflation, represents an actual decrease in state funding for transit.

Figure 2

## State investments typically represent the smallest share of public transit funding

Inflation-adjusted public transit funding, by source, 1991-2022



\*Adjusted to 1991 dollars using Bureau of Labor Statistics' Inflation Calculator.  
 Source: [Federal Transit Administration, 2022 TSI.1 – Total Funding Time Series.](#)

## Ohio invests a lot less than some of our neighbors

Ohio funds a much smaller proportion of our public transit system than other states do. The **state share** of public transit funding describes the proportion of all transit funding that comes from the state,<sup>14</sup> rather than federal, local, or other sources. Ohio's 4% state share of public transit funding lags those of Pennsylvania (51.0%), Indiana (34.3%), Michigan (29%), and Illinois (14.5%).

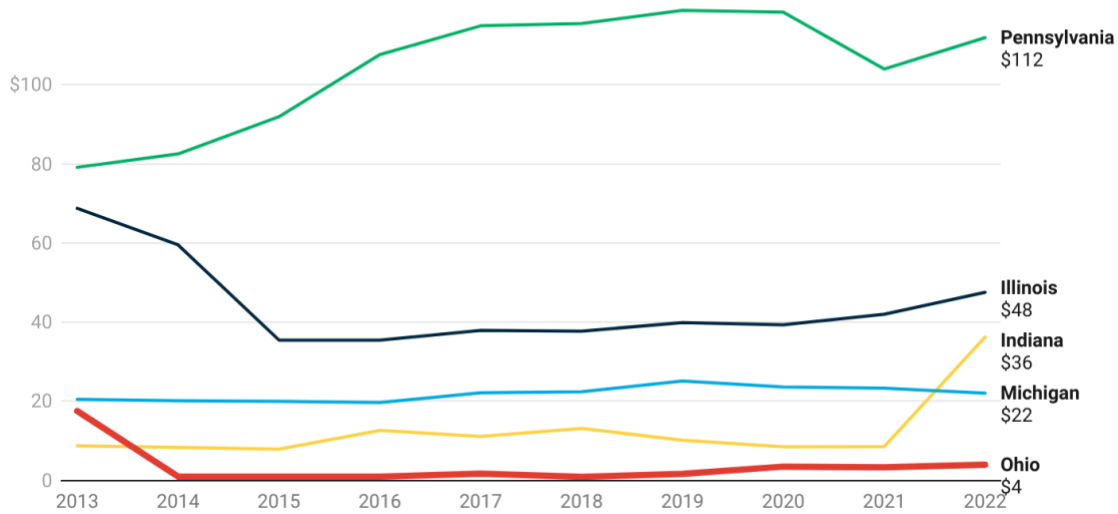
<sup>13</sup> According to the FTA's data dictionary for the 2022 Total Funding Time Series dataset, state funding includes "State Sources of Funds such as revenues from the state general fund and taxes levied at the state level." Since FTA data are based on individual transit agencies' reports, the state share of public transportation calculated using NTD data may not perfectly reflect the share of GRF dollars in the operating/transportation budget spreadsheets.

<sup>14</sup> Typically, a state's share of public transit funding comes from the state's general revenue fund.

Ohio also falls short of those (and other) states in **per capita** spending: the amount spent on public transit per person in the state. Figure 3 shows per-capita state spending from 2013 through 2022. The largest disparity is between Ohio and Pennsylvania: In 2022, Pennsylvania invested 28 times more per capita in public transit.

**Figure 3**  
**Similar states dramatically outspend Ohio on public transit**

Per capita state spending by state, 2013-22.

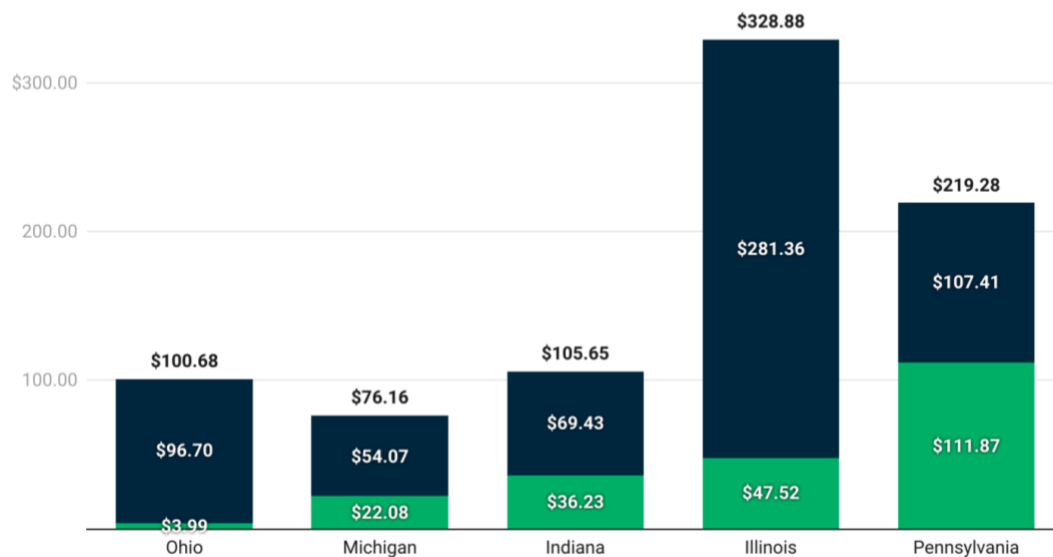


Source: [Federal Transit Administration, 2022 TS1.1 – Total Funding Time Series.](#)

Figure 4 compares state funding shares to total public transit spending per capita in each state.

**Figure 4**  
**Ohio's meager investment in public transit leaves us behind**

■ State funding per capita ■ Funding per capita, all other sources

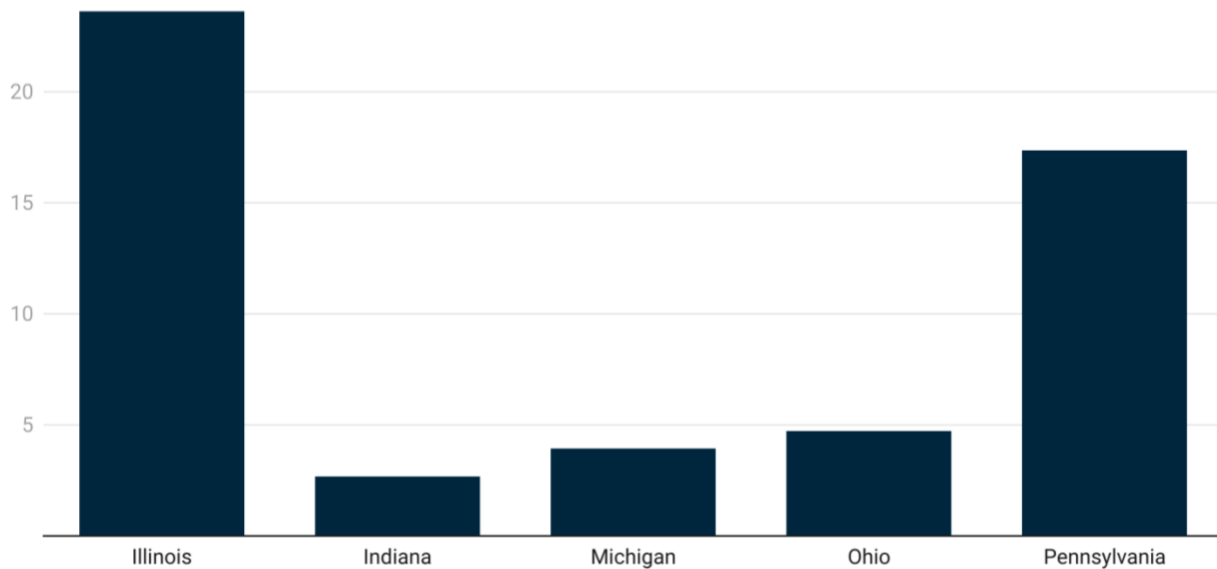


Source: [Federal Transit Administration, 2022 TS1.1 – Total Funding Time Series](#); U.S. Census Bureau, 2020 Census.

State ridership rates demonstrate the relative impact of increased state-share funding on accessible and usable public transportation. In other words, investment builds transit that people use. Figure 5 shows 2022 ridership rates, calculated as the number of unlinked passenger trips per capita, in each of the five focus states. Illinois’s high rate is likely due to high levels of public transit use in Chicago. The state also has the highest total transit funding per capita out of the five comparison states (see fig. 4). Pennsylvania, with the highest state share of transit funding (see fig. 3), ranks second for annual ridership. These two states have annual ridership rates of about 24 and 17 rides per person, respectively.

**Figure 5**  
**Insufficient state support for public transit corresponds with low ridership levels in Ohio**

Ridership levels by state, measured by the number of unlinked passenger trips (UPT) per capita.



*UPT data represent the total number of discrete trips taken (a round trip generally counts as two rides). Source: FTA Complete Monthly Ridership, 2022; U.S. Census Bureau, 2020 Census.*

Though Ohio’s ridership rate is slightly higher than Michigan’s and Indiana’s, Ohio’s population is more concentrated in urban areas, where transit is (or should be) most often used: Ohio’s five most populated cities are home to 17.1% of the state population, compared to 12.2% in Michigan and 10.6% in Indiana.<sup>15</sup> Moreover, the share of the population in Ohio’s top five cities is slightly higher than that in Pennsylvania’s (17.0%), suggesting that Ohio’s densely populated cities could be conducive to efficient transit routes with improved connectivity and higher ridership levels if the state did more to improve connectivity and increase ridership. Although increased funding from any source is vital, we see state funding as the most achievable source for increasing overall funding in states whose transit systems fail to meet their residents’ needs.

<sup>15</sup> American Community Survey 5-Year Data, U.S. Census Bureau, 2018-2022.

## Recommendations

Ohioans deserve a viable alternative to expensive and environmentally harmful private vehicles. By increasing the state share of public transportation funding from the GRF, lawmakers can deliver easily navigable and walkable cities with tightly connected communities. Public transportation, when properly funded, can allow people with reduced mobility to travel farther; expand and diversify the jobs available to workers and labor pools available to employers; and provide an inexpensive, accessible method of transportation for those who can't afford other options. To begin improving Ohio's public transit services, state leaders should do the following:

**Fund 10% of statewide public transit spending through state budget appropriations by 2025** — a goal set by ODOT in 2015.<sup>16</sup> We have a long way to go to meet this goal: In 2022, state investments represented only 4% of Ohio transit agencies' funding receipts. A major shift in Ohio's transportation funding priorities is necessary to improve transit services. If state investments covered 10% of public transit spending across the state, Ohio's transportation budget would better reflect the needs of the 7.4% of households without a private vehicle. One simple way to generate the revenue for these investments: End the poorly targeted tax breaks that primarily benefit the wealthiest Ohioans and cost the state more than \$11 billion each year in FY 2024-25.<sup>17</sup>

**Reduce regional transit authorities' reliance on local funding sources by putting forward additional state funding for public transit.** Increased state funding would allow for infrastructure upgrades and route expansions, driving up ridership levels and fare revenue. Historic federal infrastructure spending and tax credits are available for fleet electrification; the legislature can use the state budget to build on those federal investments, accelerating growth of efficient, well-connected transit systems throughout Ohio.<sup>18</sup>

**Fund a long-overdue statewide transit needs assessment,** something that has not been completed since 2015. Reassessing the capacity of our transit systems and existing transit needs in Ohio would provide a better understanding of how we can meet evolving transit needs as we continue the transition to cleaner, more efficient modes of transportation. Gov. DeWine recently put \$10 million into the Ohio transportation budget to fund an ODOT study analyzing Ohio's current and future transportation needs, to be completed in late 2024.<sup>19</sup> While this study is valuable, its focus is on industrial transportation as it relates to broader workforce and economic development goals. Everyday Ohioans need a similar in-depth analysis of our public transit needs.

## Conclusion

<sup>16</sup> ["Ohio Statewide Transit Needs Study,"](#) Ohio Department of Transportation, Fig. 12, p. 35, January 2015.

<sup>17</sup> [Tax Expenditure Report: The State of Ohio Executive Budget for Fiscal Years 2024-2025,](#) Department of Taxation, January 2023.

<sup>18</sup> ["A Moral Document: How the budget can bring out the best in Ohio,"](#) Department of Transportation budget recommendations by Molly Bryden, Policy Matters Ohio, August 2024.

<sup>19</sup> ["Ohio Taking Comprehensive Look at Transportation System,"](#) Ohio Department of Transportation, July 2023.



Raising state-share funding for public transportation would benefit every Ohioan. With robust, well-funded public transit systems, Ohioans can count on providers to get them from home to work, school, medical appointments, grocery stores, and anywhere else they need to go. Accessible, reliable, and affordable transit systems can improve educational and employment outcomes, fostering economic security for Ohio's working families. Riders save on the costs of owning, operating, and maintaining personal vehicles. High-quality transit incentivizes ridership, reducing the number of cars on the road, in turn mitigating air pollution and traffic congestion, creating safer and healthier communities.

Public transit also brings people together. Improving Cleveland's RTA would make it easy for families to go to a Guardian's game without the hassle of downtown traffic or expensive parking. Accessible transit in Appalachian and other rural counties could help connect families and friends across long distances, even if they don't have their own transportation. A well-funded transit system connects communities to a wide range of destinations, reinforcing community connections and building economic security for riders, whether they use public transit based on necessity or personal preference.