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NEW ENERGY ECONOMY

A REPORT FROM
POLICY MATTERS OHIO

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MARCH, 2009

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ACKNOWLEDGEMENTS

I would like to thank all the representatives of Ohio's public transit systems who took the time to respond thoughtfully to our survey, as well as George Zeller, who provided guidance and feedback during several stages of this report. I would also like to thank the Ohio Environmental Council, the National Resource Defense Council, the Apollo Alliance, and Green City Blue Lake for their thoughtful feedback. A number of fabulous interns also contributed to this report, Tim Krueger, Matt O'Hanlon, Tammanica Muse, and Christine Thomay. As always, we are extremely grateful to the Joyce Foundation for their generous support of our research in general.

POLICY MATTERS OHIO, the publisher of this study, is a nonprofit, nonpartisan policy institute dedicated to researching an economy that works for Ohio. Policy Matters seeks to broaden debate about economic policy by doing research on issues that matter to working people and their families. With better information, we can achieve more just and efficient economic policy. Areas of inquiry for Policy Matters include work, wages, education, housing, energy, tax and budget policy, and economic development.

Executive Summary

Transportation spending should reflect the positive role public transit can play in creating a more equitable, vibrant and sustainable Ohio. In this recession, investing in mass transit can be one part of a much needed economic infusion. Public transportation is not only more energy-efficient than passenger vehicle transportation, it also spurs economic development, employs people, assists firms and workers with transportation needs by providing a low-cost commuting option, reduces urban sprawl and congestion while increasing urban vitality, and is far less harmful to the environment than having every commuter drive a car. The Surface Transportation Policy Project estimates that for every \$1.25 million spent on public transportation projects, approximately 51.3 jobs are created—nearly 19 percent more jobs than new roads or bridge projects create, and almost nine percent more than road or bridge repair and maintenance projects.¹ Plus, Ohioans are currently sending at least \$8 billion out of our state's economy, each year, in order to import fuel for highway travel. High summer gas prices lured many Ohio drivers to mass transit in order to lower their cost of commuting. Unbelievably, at the same time ridership was increasing, further cuts were being made to the already inadequate state of public transit due to rising operating costs from increasing fuel prices and a lack of state investments in public transportation. In order for public transportation to become a viable option for Ohioans, riders need to feel confident they can rely on public transportation services to get where they need to go, in a timely fashion.

Transit passengers use public transportation services primarily to get to work. Respondents to a small survey we conducted of Ohio's transit agencies reported that urban area transit riders use public transit services primarily to commute to work. According to Joe Calabrese, CEO of the Greater Cleveland RTA, 52 percent of Cleveland's riders choose public transit over private vehicle commuting, while 38 percent are dependent on transit to get to work, see doctors, and get the health care they need. Calabrese adds that “[f]or the transit dependent, cutting services may leave them with no transportation choice at all.” In rural areas, disabled riders and senior citizens make up most of the ridership. According to Stephen Murphy, the Transit Manager for the City of Middletown, a number of these riders “would have serious trouble functioning in a dignified manner without our service.” Nationally, 59.2% of transit trips in 2007 were for work purposes, 10.6% for school, 8.5% for shopping or dining, 3.0% for medical or dental, 6.3% for personal business, and 6.8% for social trips. The vast majority of transit passengers are employed (72.1%), while 10.7 percent are students, and 6.7 percent are retired.

Volatile fuel prices hit working families hard in Ohio. According to the 2007 American Community Survey, 83 percent of Ohioans drive in their car alone to commute to work. At July's fuel prices, an Ohio family earning the median income spent between 8.2 and 17.6 percent of pre-tax dollars, depending on geographical location and number of drivers in the household, just for essential trips like commuting to work, picking up groceries, and getting to health care appointments. High fuel prices hit Ohio's low-income working families even harder. A single individual making the minimum wage, working 40 hours a week, would have earned \$14,560 in 2008 (before taxes). If that individual lived in the Cleveland area, she would have had to spend 30 percent of her pre-tax income to drive a car for her essential trips, based on last summer's high fuel prices. Nearly 46 percent of

¹ Assuming half the funds invested are for new capital projects, and half the funds are spent on operations.

Ohio's transit commuters earned less than \$15,000 (in 2007 inflation-adjusted dollars). Not surprisingly, nearly 40 percent of employed public transit riders are transit dependent.

Public Transportation could be a low-cost, environmentally friendly alternative to passenger-vehicle transportation, but the state of public transit in Ohio is lacking. As Ohioans turned to transit when gas prices increased, public transit systems were cutting services. High summer gas prices increased the demand for public transportation in Ohio, but simultaneously forced Ohio's transit agencies to cut its already inadequate level of services because of the associated increase in operating costs. According to data collected on most transit agencies in Ohio, as fuel prices increased rapidly from May 2007 to May 2008, the number of public transit rides taken by Ohioans increased five percent. During the same period, the number of transit vehicles operated by these agencies declined six percent, while the miles travelled by transit vehicles declined eight percent. In a small survey of Ohio's transit agencies, conducted in the fall of 2008, both urban and rural respondents unanimously reported an increase in ridership, but eight out of twelve transit authorities were reluctantly cutting or considering cuts in hours, routes, or vehicles in operation, while others were putting expansion plans on hold or considering fare increases, citing a lack of revenue to cover rising expenses.

State funding for public transportation in Ohio has declined significantly over time—almost 50% from 1998 through 2007 (when adjusted for transportation-related inflation). Ohio ranks 40th in the nation in state public transit spending as a percentage of total state transportation dollars expended. Less than one percent of Ohio's state transportation dollars go towards public transit. Ohio spends less than half of what Indiana spends on public transportation, 5% of Illinois' expenditures, and less than 3% of Pennsylvania's spending. Ohio public transit relies instead on local funding sources such as sales and property tax revenues, which are difficult to procure and flagging due to the downturn in the economy.

Recommendations to improve the state of public transportation in Ohio include creating a dedicated source of funding for public transportation purposes, increasing state funding for public transportation, making public transportation a priority, and investing in "Clean and Green" technology. Ohioans should amend the state constitution to allow 20 percent of the state's gas tax revenues to go towards increasing public transportation services. Economic development officials should require businesses seeking financial assistance from the state to locate in transit-accessible spaces where they will have access to a larger workforce. And the state should support the Ohio "Clean and Green" Initiative to purchase 500 clean and environmentally-friendly electric or bio-fuel propulsion buses over five years.

Introduction

Having a strong mass transit system is in the public interest. Mass transit offers mobility to Ohioans without automobiles, provides an economical option for commuters, eases congestion, reduces overall energy use and carbon emissions, and adds to the appeal of urban communities. Mass transit is of vital importance to those who can't afford to own, operate and maintain their own personal vehicle, have disabilities, or are past the age when they can drive safely. For others, public transportation represents an important alternative choice for commuting and travel, even if a car remains part of their total transportation mix. As Carla Lakatos, Executive Director of Butler County RTA noted: "[The choice] should not be either roads or public transit – public transit should be treated as a critical tool in the tool belt for future development."

With Ohio and the nation now in a troubling recession, investing in mass transit can be one part of an energizing infusion for our economy. By expanding mass transit now, we can meet an important need while also employing people and stimulating the economy. The Surface Transportation Policy Project estimates that for every \$1.25 million spent on public transportation projects, approximately 51 jobs are created, 19 percent more than new roads or bridge projects, and nine percent more than road or bridge repair and maintenance projects.² Governor Strickland recently proposed the use of regional Transportation Innovation Authorities, and the development of a strategic multi-modal transportation plan for Ohio, to encourage a more multi-modal approach to transportation. This recognizes the role public transportation can play in developing a 21st century sustainable economy in Ohio and creating green-collar jobs. We applaud those proposals, but encourage Ohio's policymakers to make public transportation a priority when it comes to allotting state transportation dollars.

In 2008, extremely volatile gas prices underscored the importance of investing in mass transit. Families and individuals with enough income to own a car still found summer gas prices made driving more cost-prohibitive. This lured many drivers to mass transit, but they often found transit service in Ohio to be insufficiently funded to meet their needs. Even as demand rose, communities were making additional cutbacks to those limited services. Offering limited transit options, and reducing them when fuel prices rise, makes no sense for Ohio.

Volatility in our transportation system serves nobody well. People in Ohio need to be able to get to work, child care, school, grocery stores and health care providers in an efficient and economical way. Growing, vibrant, and more sustainable communities recognize public transportation as part of the 21st century transportation solution. Job loss, the economic downturn, and volatile and often record-high gas prices have made public transit more important for Ohioans. But just as families found their own gas tanks prohibitively costly to fill last summer, they often found their local transit cutting back on already limited service in Ohio.

Because state funding for public transportation services are extremely low in Ohio, and declining, local governments are left to bear the brunt when fuel costs rise. In urban communities this means cutting transit services, laying off employees, and raising fares. In rural communities, volatile fuel prices can push small transit authorities to the brink of shutting down, potentially

² Surface Transportation Policy Project. *Setting the Record Straight: Transit, Fixing Roads Offers Greatest Job Gains* (2004) at http://www.transact.org/library/decoder/jobs_decoder.pdf (assuming half spent on new capital projects and half spent on operations).

leaving many elderly and disabled residents without access to the outside world, and abandoning rural residents to contend with high fuel prices for their commute to work.

This study reviews the literature, reports on trends in public transportation and presents the results of a small survey of Ohio's public transit agencies, in an attempt to:

1. Outline the economic and social benefits from investing in Ohio's mass transit system.
2. Discuss who uses public transportation in Ohio and why.
3. Estimate the impact of volatile transportation costs on basic family budgets in Ohio.
4. Assess trends in public transportation ridership, across Ohio, during the fuel price crisis.
5. Document the impact of volatile fuel prices on public transit services offered in Ohio.
6. Explore Ohio's system, or lack thereof, for funding public transportation.
7. Demonstrate that Ohio has not made investment in public transportation a priority.
8. Discuss Governor Strickland's FY 2010 and FY 2011 proposed budget as it relates to public transportation in Ohio.
9. Provide recommendations for Ohio's policy makers on how we can move in the direction of a 21st century multi-modal transportation system, in order to give Ohio's workforce reliable transportation alternatives.

Ohio needs to connect America's 21st century neighborhoods and cities with world-class transit systems to attract and retain a 21st century workforce.

Ohio needs walkable, transit-oriented communities, with good transit options within and between cities—including light rail, more efficient bus service, bicycle lanes, and inter-city and regional rail—all linked together to make riding transit a convenient and affordable alternative to driving a car. Offering well-developed multi-modal transportation system will give Ohioans choice among roads, bikeways, heavy and light rail and pedestrian paths. Over half of U.S. households currently lack ready access to public transportation, which could take them off congested streets and highways.³ According to the Apollo Alliance, a coalition of labor, environmental, community, and business groups, for which Policy Matters is the Ohio partner, the number of miles driven by Americans in passenger vehicles grew three times faster than the U.S. population since 1980.

By offering transportation choices, we can take the burden off of our heavily used highways, reduce time and fuel wasted in congestion, reduce pollution from mobile source emissions that trigger non attainment air quality status and hamper economic development, lessen health problems aggravated by poor air quality and encourage sustainable 21st century development.⁴ Shared rides, via public transportation, are more economically efficient and environmentally sound than using individual cars. Transit also employs people, provides relief to family budgets, and increases the vibrancy of urban communities. Transit projects create nearly 19 percent more jobs than new road or

³ The New Apollo Program, *Clean Energy, Good Jobs: A National Economic Strategy for the New American Century* (July 2008).

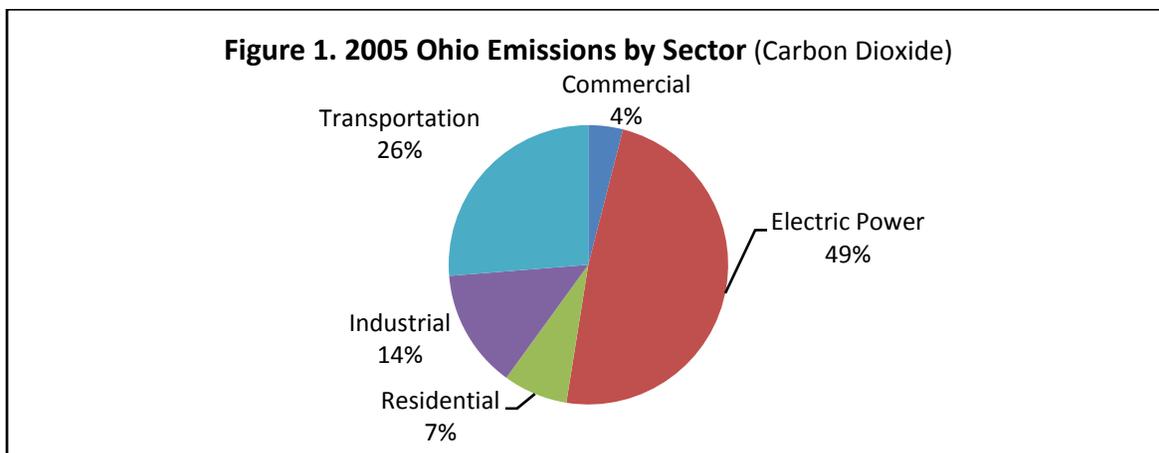
⁴ Ohio Environmental Council, *Letter to Ohio Department of Transportation 21st Century Task Force—Multi-Modal Committee*.

bridge projects, and 9 percent more jobs than road or bridge repair projects, according to the Surface Transportation Policy Project.⁵

Public transportation can also help reduce the spatial mismatch between workers and jobs, particularly for workers in low-wage positions. Jobs are often not located where workers live. As a result, many low-income workers face significant transportation barriers when seeking employment.⁶ The length of commute is particularly burdensome for working parents who must also make additional trips for child care and other tasks. Public transportation can help reduce the impact of this spatial mismatch.⁷ In this vein, transportation projects should take into account job centers and workforce needs, and employers should be encouraged to locate in a central area where public transit riders can access them (particularly those receiving economic development incentives from taxpayers). As Joe Calabrese from GCRTA said “Don’t give money to business our workers can’t get to. A job workers must drive to in order to reach becomes a more expensive job for workers to have. And for the transit dependent, it is not a job opportunity at all.”

Reducing Carbon Emissions

Ohio ranks fourth among states for total carbon emissions, putting approximately 275 million metric tons of carbon into the air annually.⁸ Figure 1 shows the transportation sector of our economy accounts for just over a quarter of those carbon emissions. Carbon emissions contribute to climate change. Moreover, gasoline and diesel-powered mobiles contribute 79 percent of air toxic emissions in Ohio. Air toxic emissions include pollutants such as benzene and formaldehyde that may cause negative health impacts including cancer, and can also cause non-cancerous effects such as headaches, eye irritation, nausea, and short- or long-term respiratory conditions.⁹



Source: Energy Information Administration (2005)

⁵ *Setting the Record Straight: Transit, Fixing roads Offers Greatest Job Gains* (2004) at http://www.transact.org/library/decoder/jobs_decoder.pdf.

⁶ J. Bernstein, C. Brocht, & M. Spade-Aguilar, Economic Policy Institute, *How Much is Enough? Basic Family Budgets for Working Families* (2000)(citing Lacombe 1998).

⁷ Pugh (1998)

⁸ Energy Information Administration, *State Emissions by Sector* (2005).

⁹ Midwest Clean Diesel Initiative, *Fact Sheet: Ohio* (2007).

Investing in public transit, and reducing reliance on cars, can help reduce harmful emissions in Ohio. According to the Center for Transportation Excellence, each passenger mile travelled via public transportation produces 95 percent less carbon monoxide, 92 percent fewer harmful organic compounds, and half the amount of carbon dioxide than a mile travelled via passenger vehicle.¹⁰

However, many of Ohio's transit motor buses have outlived their useful life and are economically, energy, and environmentally inefficient. According to Ohio Public Transit Association, approximately 500 buses in Ohio are beyond their useful life, not environmentally friendly, unreliable, and expensive to maintain. Older model heavy-duty diesel engines emit more pollution than newer engines and are less energy efficient than newer models.¹¹ Investments in newer capital equipment, particularly in hybrid bus technology, will yield more energy-efficient and environmentally-friendly transit, reduce operating costs and diesel emissions, and ultimately mean more economically-efficient transit. Operational changes, technological updates, and cleaner fuels can also be used to help reduce diesel emissions for older engines remaining in circulation.

Transit meets multiple needs

Transit passengers use public transportation services primarily to get to work. Nationally, 59.2% of transit trips were for work purposes (10.6% for school, 8.5% for shopping or dining, 3.0% for medical or dental, 6.3% for personal business, and 6.8% for social).¹² The vast majority of transit passengers are employed (72.1%), while 10.7 percent are students, and 6.7 percent of transit passengers are retired. To determine who uses Ohio's public transit services and why, we sent surveys to Ohio's public transit agencies, including large urban transit authorities as well as suburban and rural agencies. Not all transit agencies responded, so this is not an exhaustive evaluation of all transit agencies in Ohio, but the respondents do provide valuable insight into public transit in Ohio.

Table 1 shows that getting to work is the main reason for riding transit in Ohio's urban areas. In rural areas, a high percentage of the ridership is represented by disabled riders and senior citizens travelling for multiple purposes like health care, shopping, work and visiting family. Many transit agencies noted that their passengers would become housebound without these services. According to Joe Calabrese, Chief Executive Officer of the Greater Cleveland Regional Transit Authority, "the makeup of rural ridership partially reflects the lack of comprehensive service in rural areas, which is largely a function of public funding. These transit agencies would like to provide more services, but Ohio's dedication to public transit is one of the worst in the nation." Transit agencies that offer commuting express services to core urban areas, however, recently saw an increase in riders commuting to work. Explaining such an increase in transit ridership, Jessie Baginski the Director of Communications for Laketrans stated "[r]iders with longer commute[s] are more sensitive to fluctuations in gas prices."

¹⁰ <http://www.cfte.org/factoids/default.asp>

¹¹ Midwest Clean Diesel Initiative, *Fact Sheet: Ohio* (2007).

¹² American Public Transit Assoc. 2008 Public Transportation Fact Book at http://www.apta.com/research/stats/factbook/documents08/2008_passengers_final.pdf.

Table 1. Who uses your services, and why are these services important?	
Greater Cleveland RTA	Primarily, Greater Cleveland area riders take public transit to get to and from work. While 52% of riders choose public transit over private vehicle commuting, 38% are dependent on transit to get to work, see doctors, and get the health care they need. For the transit dependent, cutting services may leave them with no transportation choice at all.
Greater Dayton RTA	“Primarily workers accessing jobs throughout the region. Without our services, many would be unable to access the jobs.”
Clermont Transportation Connection	“We have a very wide passenger base. [O]ur demand response* services are used primarily by transit-dependent people: disabled, low income, zero car, senior[s], etc. Our fixed routes are used by middle-class working people.”
City of Middletown	“The working poor, elderly, & disabled ride the bus mostly. We also have some green-sensitive riders but [they represent] a small percentage [of the overall ridership]. [I]t is a quality of life issue and for many is the only means of transportation. Some would have serious trouble functioning in a dignified manner without our service. Some elderly and disabled may become confined to their homes.”
Butler County RTA	“Because we focus on group trips to keep costs in check, we primarily serve the disabled, low income, elderly, and those who do not drive. We have a great need for employment trips in terms of those looking for work and county employers seeking a trained work force. However, we have not been able to offer any solutions for these folks.”
Licking County Area Transportation Study (LCATS)	“[T]he current ridership is predominantly elderly, disabled, low-income individuals.[1] [T]he non-auto owners (transit dependent) typical 'profile' is single, renter, 32% have accessibility issues and 46% were above age 65. Many of their trips were to the following (in order of request): doctor, grocery store, drug store, hospital, department store, 'out of house', visit friends/family, haircut, restaurant, work.”
City of Newark	“Low-Income, disabled and elderly. This is their lifeline to get to medical appointments, shopping and employment.”
Richland County Transit	“Most users of Richland County Transit services are transit dependent. They have no other reliable, cost effective source for their daily transportation needs.”
City of Sidney	<p>“Our ridership is used by the general public, seniors and disabled in our rural community. 25% of our riders use the service to get to or from work, 18% ride to access medical services, 14% go to and from Adult Day Care, 10% use the service to get to educational facilities. The balance of the ridership use the service to shop, get groceries, fill prescriptions, go to the library or senior center, get to hair appointments, visit family and friends or eat out – a variety of personal and recreational trips.”</p> <p>“The service is important because 75% of our riders are elderly or disabled. In our latest survey, over 60% of our riders responded that our service was their only means of transportation – no family to depend on, no car and many unable to walk long distances.”</p>
Washington County, Community Action Bus Line (CABL)	“Our services are mostly used by low-income elderly and disabled individuals. Transit services for this population [are] essential in enabling them to live a self-sufficient lifestyle. Without public transit services this population would not have access to doctor's appointments, pharmacies, grocery stores, or social interaction.”
Laketrans	“College students- get to school affordably; commuters- to work; seniors/disabled- medical trips/ shopping/recreation (the majority of riders over age 90 are going to the Y[MCA]).”
* Demand response services are door to door services provided in response to specific customer requests that often involve coordinating rides with multiple public transit customers	

Pressure on Basic Budgets from Volatile Fuel Prices

Transportation costs put pressure on Ohioans' basic family budgets. Families struggling to make ends meet cannot afford to spend increasing portions of their income on transportation. In areas without ready access to public transportation, rising fuel prices forced Ohio's working families to cut back in other areas of their family budgets, such as food, child care, housing, or health-care services. Table 2 shows essential transportation costs for working families, defined as transportation to work, school, grocery shopping, and medical appointments.¹³ At the height of the recent volatility in fuel prices, for essential trips, transportation costs for families ranged from 8.2 percent of *pre-tax* median household income to an average of 16.5 percent in rural areas (\$4,127 to \$7,246 per year), depending on the region, area income, and the number of drivers.

Median Household Income (estimated for 2008)		One Driver		Two Drivers	
		<i>Annual Transportation Costs</i>	<i>As a percent of Median Household Income</i>	<i>Annual Transportation Costs</i>	<i>As a percent of Median Household Income</i>
Cincinnati-Middletown	\$53,878	\$4,403	8.2%	\$6,175	11.5%
Columbus, msa	\$53,551	\$4,403	8.2%	\$6,175	11.5%
Cleveland-Elyria-Mentor	\$49,947	\$4,403	8.8%	\$6,175	12.4%
Canton-Massillon	\$46,456	\$4,127	8.9%	\$5,580	12.0%
Akron, msa	\$49,606	\$4,684	9.4%	\$6,669	13.4%
Sandusky, msa	\$50,389	\$4,737	9.4%	\$6,468	12.8%
Dayton, msa	\$48,151	\$4,684	9.7%	\$6,669	13.9%
Toledo, msa	\$48,098	\$4,684	9.7%	\$6,669	13.9%
Youngstown-Warren	\$41,729	\$4,127	9.9%	\$5,580	13.4%
Lima, msa	\$45,571	\$4,737	10.4%	\$6,468	14.2%
Mansfield, msa	\$44,994	\$4,737	10.5%	\$6,468	14.4%
Springfield, msa	\$44,209	\$4,737	10.7%	\$6,468	14.6%
Ironton, msa	\$36,148	\$4,127	11.4%	\$5,580	15.4%
Marietta, msa	\$41,117	\$4,737	11.5%	\$6,468	15.7%
Steubenville, msa	\$40,078	\$4,737	11.8%	\$6,468	16.1%
Rural Ohio	\$44,005	\$5,390	12.2%	\$7,246	16.5%
Wheeling	\$36,710	\$4,737	12.9%	\$6,468	17.6%

Source: *2007 median household income inflated using consumer price index (1/2 year marker). 2007 Economic Policy Institute Basic Family Budget transportation costs data inflated with CPI-transportation (as of July 2008). The transportation portion of the EPI family budget relies on data from the Nationwide Personal Transportation Survey and the IRS cost-per-mile rate.

¹³ For the average driving household, 69% of all driving for a single parent is essential (non-social), if a second adult in the family drives, 28% of the average miles travelled by the second driver in the household is considered essential.

Table 3 below, shows ten rural counties hit hardest by last year's high fuel prices. While overall rural transportation costs for families averages out to be approximately 12 percent of median household income for families with one driver and 16 percent for families with two drivers, an even larger portion of family income goes towards transportation in the poorest rural counties. Transportation costs for essential trips demand nearly 22 percent for families earning the median household income in Athens County.

Table 3. 10 Hardest Hit Rural Counties: Low household incomes and high miles travelled means larger portions of family income spent on transportation in rural areas.

		Household Income as a percent of the state Median household income	2008 Median Household Income (Mid-Year estimate)	Percent of Household income spent:	
				One Driver	Two Drivers
				\$ 5,390	\$ 7,246
1	Athens County	68.0%	\$ 33,460	16.1%	21.7%
2	Scioto County	68.7%	\$ 33,804	15.9%	21.4%
3	Meigs County	69.1%	\$ 34,001	15.9%	21.3%
4	Monroe County	69.4%	\$ 34,149	15.8%	21.2%
5	Adams County	74.1%	\$ 36,461	14.8%	19.9%
6	Morgan County	74.3%	\$ 36,560	14.7%	19.8%
7	Vinton County	75.7%	\$ 37,249	14.5%	19.5%
8	Gallia County	76.0%	\$ 37,396	14.4%	19.4%
8	Guernsey County	76.1%	\$ 37,445	14.4%	19.4%
10	Harrison County	76.6%	\$ 37,692	14.3%	19.2%

Source: EPI basic family budgets and American Community Survey 2007 income raised to match inflation.

Table 4 shows low-income families are hit even harder than those earning the median household income. A Cleveland area household supported by a single individual earning minimum wage and working full time spent an estimated 30 percent of its pre-tax income on passenger-vehicle transportation for essential trips. A family with two earners and two drivers that are both working full-time for the minimum wage spent 21 percent of its income on passenger-vehicle transportation for essential trips, based on July 2008 fuel prices.

Table 4. Low-wage working families spend large percent of income on driving costs, especially when the price of fuel skyrockets (2008)		
Family of Three (One Driver/Worker)		
	Annual Income (Pre-tax)	Driving costs, as a percent of household income (\$4,403 per year)
100% Federal Poverty Level	\$ 17,600	25%
200% Federal Poverty Level	\$ 35,200	13%
Full-Time Minimum Wage Job (40 hours per week)	\$ 14,560	30%
Family of Four (Two Drivers/Workers)		
	Annual Income (Pre-tax)	Driving costs, as a percent of Household Income (\$6,175 per year)
100% Federal Poverty Level	\$ 21,200	29%
200% Federal Poverty Level	\$ 42,400	15%
Two Full-Time Minimum Wage Jobs (80 hours per week)	\$ 29,120	21%
*Based on 2007 EPI Basic Family Budget transportation costs for Cleveland-Elyria-Mentor, inflated to July 2008 using Consumer Price Index for Transportation.		

Public transportation reduces the costs of commuting, providing budget relief to families facing economic hardship. Public transit can make it easier for people to get to work or training, make travel more affordable, and help Ohioans reduce the gap between stagnant wages and rising family budget expenses. However, public transportation agencies face the same volatile fuel prices as individuals, forcing them to reduce services just as individual drivers turn to public transportation in order to reduce their costs of commuting.

Table 5 shows many Ohioans turning to public transit, while transit services in those areas declined. Of the nine urban transit authorities in Ohio that consistently reported fixed route services, the number of transit rides increased 5 percent in May of 2008 over the number of rides during the same period in 2007, despite an eight percent decline in vehicle miles travelled by these transit agencies, and a six percent decline in the number of transit vehicles operating during the relevant periods.

Transit Authority	<i>Percent Change in Ridership (May 2007 to May 2008)</i>	<i>Percent Change in number of transit vehicles operating (May 2007 to May 2008)</i>	<i>Percent Change in Passenger Miles Travelled (May 2007 to May 2008)</i>
Central Ohio Transit Authority	8%	4%	5%
City of Middletown - Middletown Transit System	15%	0%	-1%
Greater Dayton Regional Transit Authority	19%	-7%	-5%
Laketran (Lake County)	2%	-48%	-6%
Metro Regional Transit Authority (Akron Area)	9%	0%	-39%
Portage Area Regional Transportation Authority	4%	-17%	7%
Southwest Ohio Regional Transit Authority (Cincinnati Area)	-9%*	-1%	-4%
The Greater Cleveland Regional Transit Authority	6%	-10%	-8%
Toledo Area Regional Transit Authority	4%	-1%	2%
Total	5%	-6%	-8%

Source: National Transit Database

*Table 8 shows the number of transit vehicles operating in Southwest Ohio RTA declining 25 percent from January 2002 to May 2008, and may explain the anomaly of declining ridership in that area.

Table 6 provides more detailed information on ridership levels across Ohio public transit systems, from May 2007 to May 2008. Overall ridership among these transit agencies increased five percent by more than half a million rides. The greatest absolute increases were seen in the Cleveland, Dayton, and Columbus areas, while percentage changes in growth were largest in Dayton, Middletown, and Akron.

Table 6. Transit ridership increased 5 percent from May 2007 to May 2008 for transit agencies providing fixed route services (of those agencies reporting them consistently over the last five years).				
Transit Authority	# of transit rides		Change in transit ridership (from May 2007 to May 2008)	
	<i>May-07</i>	<i>May-08</i>	<i>Difference in Unlinked Passenger Trips</i>	<i>Percent Change (%)</i>
Central Ohio Transit Authority	1,321,868	1,425,799	103,931	8%
City of Middletown - Middletown Transit System	18,228	20,971	2,743	15%
Greater Dayton Regional Transit Authority	1,098,110	1,304,956	206,846	19%
Laketran (Lake County)	53,338	54,485	1,147	2%
Metro Regional Transit Authority (Akron Area)	484,517	525,758	41,241	9%
Portage Area Regional Transportation Authority	54,579	56,692	2,113	4%
Southwest Ohio Regional Transit Authority (Cincinnati Area)	2,028,146	1,841,223	(186,923)*	-9%*
The Greater Cleveland Regional Transit Authority	5,224,882	5,559,724	334,842	6%
Toledo Area Regional Transit Authority	439,597	457,749	18,152	4%
Total	10,723,265	11,247,357	524,092	5%

Source: National Transit Database

**Note:* Southwest Ohio RTA alone experienced a decrease in ridership, but this was likely due to steep declines in services offered, not reduction in demand. See detail in Table XX below (SORTA operated 25 percent fewer vehicles in May 2008 than in January of 2002).

Table 7 shows that all twelve of Ohio's transit agencies responding to our survey—including urban, suburban, and rural transit systems—reported experiencing an increase in ridership during last year's months of high fuel prices. The Greater Cleveland RTA saw not only an increase in the number of rides taken, but an increase in new riders who traditionally drove. According to Joe Calabrese, these riders still had a car, but were “driving themselves to a central location and hopping on the rail or a bus to take them on the largest leg of their journey.” More rural Ohioans were also sharing rides with fellow citizens for trips to the grocery stores, visits to the doctor, and commutes into the city for work purposes. Kathy Adams from Richland County Transit attributes the increase in demand for shared ride services “no doubt, at least in part to the rising cost to operate personal vehicles.” Rosann Christian from the City of Lancaster agrees with that sentiment, adding that “Fairfield County residents need affordable mobility and public transportation is the best option.”

Table 7.	Are you experiencing an increase/decrease in ridership currently?
Greater Cleveland RTA	The greater Cleveland area saw 5 consecutive years of growth in public transit ridership, with 2008 being the sixth. Rail ridership is up 14% in the Greater Cleveland area, over the last two years, as more people take advantage of park and ride services.
Greater Dayton RTA	8% increase YTD [year to date].
Clermont Transportation Connection	Yes, we had a 23% increase in ridership last year and are on target to be above that this year.
City of Middletown	A definite increase yearly since 2005.
Butler County RTA	BCRTA recently introduced a \$5/one-way trip medical shuttle funded in part through a New Freedom grant – the service just began September 2nd but demand seems to be very high. The park-and-ride services are growing tremendously (between Butler County and downtown Cincinnati). Some of the trips are standing room only. Butler County RTA regrettably offers only very limited services due to [lack of] local funding. For most trips the passenger is asked to contribute a higher percentage towards the operating costs than most other public transit services, with costs ranging from \$10-\$30 per one-way trip. This [higher price] restricts ridership.
Licking County Area	Both of our transit agencies are reporting increases in ridership.
City of Newark	Increase.
Richland County Transit	[A] steady increase in the average number of rides provided per day.
City of Lancaster	Our most recent numbers (8/31/08) show roughly a 14% increase over January 1, 2008.
City of Sidney	Our ridership has increased slightly in 2008.
Washington County, Community Action Bus Line (CABL)	Since January 1 of this year we have seen a 2.69% increase in ridership.
Laketran	Yes, especially among commuter express riders into Cleveland. Riders with longer commute are more sensitive to fluctuations in gas prices.
Policy Matters Ohio Transit Survey, Fall 2008	

Service Declined Despite Increased Demand

Table 8 shows that over the past six years transit authorities in Ohio have steadily cut back the number of vehicles used for fixed route services even though demand for transit services increased. For transit agencies consistently reporting fixed route services, the number of vehicles operating during peak periods, on fixed routes, declined 19 percent, 337 vehicles, from January 2002 to May 2008. For the one-year period from May 2007 to May 2008, the number of vehicles operated declined six percent (88 fewer vehicles).

	# of Transit Vehicles Operating (during peak service)			Change from Jan 2002 to May 2008		Change from May 2007 to May 2008	
	Jan-02	May-07	May-08	Change in #	Percent Change (%)	Change in #	Percent Change (%)
Central Ohio Transit Authority	257	195	202	-55	-21%	7	4%
Middletown Transit System	4	4	4	0	0%	0	0%
Greater Dayton RTA	177	148	138	-39	-22%	-10	-7%
Laketran	30	46	24	-6	-20%	-22	-48%
Metro RTA (Akron)	143	96	96	-47	-33%	0	0%
Portage Area RTA	5	24	20	15	300%	-4	-17%
Southwest Ohio RTA	430	325	323	-107	-25%	-2	-1%
The Greater Cleveland RTA	598	561	505	-93	-16%	-56	-10%
Toledo Area RTA	150	146	145	-5	-3%	-1	-1%
Total Change	1,794	1,545	1,457	-337	-19%	-88	-6%

Source: National Transit Database, Number of Vehicles Operating during Maximum Service

Table 9 shows that the number of miles travelled by transit vehicles declined eight percent from May 2007 to May 2008, for almost 400,000 fewer miles travelled (despite a five percent increase in ridership during the same period).

Name	May-07	May-08	Difference	%Difference
Central Ohio Transit Authority (Columbus)	628,777	659,425	30,648	5%
City of Middletown	17,878	17,636	-242	-1%
Greater Dayton RTA	611,119	577,702	-33,417	-5%
Laketran (Lake County)	73,450	68,884	-4,566	-6%
Metro Regional Transit Authority (Akron area)	484,517	294,849	-189,668	-39%
Portage Area RTA	51,592	55,238	3,646	7%
Southwest Ohio RTA (Cincinnati area)	959,731	921,868	-37,863	-4%
The Greater Cleveland RTA	1,962,585	1,798,252	-164,333	-8%
Toledo Area RTA	388,938	395,295	6,357	2%
Total Vehicle Miles Travelled	5,178,587	4,789,149	-389,438	-8%

**Source:* National Transit Database, Vehicles Revenue Miles.

Similar Scenario for Demand Response Services

Table 10 shows the number of riders using demand response services—door to door services provided in response to specific customer requests that often involve coordinating rides with multiple public transit customers—increased 30 percent from January 2002 to May 2008. Demand response ridership declined slightly, one percent, from May 2007 to May 2008, as transit agencies cut the number of hours they operated by seven percent (see Table XX). Twenty transit agencies across Ohio, together, offered nearly 245,000 unlinked passenger trips in response to specific customer requests in May of 2008.

Table 10. Number of Transit Rides, in response to call-in demand, grew 30 percent since January of 2002 but declined one percent over the past year as the number of hours operated declined 7 percent.					
Transit Authority	Unlinked Passenger Trips (Demand Response)				
	# of Passenger Trips in Response to Demand			Percent Change in Passenger Trips	
	<i>Jan-02</i>	<i>May-07</i>	<i>May-08</i>	<i>Jan 2002 to May 2008</i>	<i>May 2007 to May 2008</i>
Butler County RTA	4,399	1,036	971	-78%	-6%
COTA	12,292	14,318	17,927	46%	25%
Middletown Transit System	578	962	838	45%	-13%
City of Newark Transit Operations	17,751	18,563	17,555	-1%	-5%
Clermont Transportation Connection		8,084	9,074	n/a	12%
Greater Dayton RTA	13,695	28,162	24,730	81%	-12%
Greene County Transit Board		11,751	12,736	n/a	8%
Laketran	29,753	31,488	28,949	-3%	-8%
Licking County Transit Board		3,975	4,574	n/a	15%
Lorain County Transit	5,193	4,155	3,713	-28%	-11%
Metro RTA	33,933	17,821	19,648	-42%	10%
Miami County Public Transit		4,673	5,090	n/a	9%
PARTA	8,972	11,923	10,452	16%	-12%
Richland County Transit	4,262	3,099	2,237	-48%	-28%
Sandusky Transit System		7,529	6,626	n/a	-12%
SORTA	22,041	22,522	20,450	-7%	-9%
Springfield City Area Transit		707	817	n/a	16%
Stark Area RTA	9,138	14,215	12,824	40%	-10%
The Greater Cleveland RTA	25,140	41,433	43,918	75%	6%
Western Reserve Transit Authority	1,796	1,814	1,689	-6%	-7%
Total Number of Unlinked Passenger Trips in Response to Demand	188,943	248,230	244,818	30%	-1%

Table 11 shows a seven percent cut to the hours operated, which may explain the one percent decline in demand response transit ridership from 2007 to 2008. The number of vehicle operating hours for call-in services increased 31 percent from January 2002 to May 2008, matching the long-term growth in demand for those services, but declined seven percent from May 2007 to May 2008, as fuel prices skyrocketed.

Table 11. Hours of Operation for Customer Requested Transit Services Increased 31 percent from January 2002 to May 2008, to match increase in Demand, but Declined Seven Percent from May 2007 to May 2008.

Transit Authority	Vehicle Revenue Hours Operated				
	# of Hours Operated			Percent Change	
	Jan-02	May-07	May-08	Jan 2002 to May 2008	Jan 2002 to May 2008
Butler County RTA	3,652	497	349	-90%	-30%
COTA	8,794	10,025	11,214	28%	12%
Middletown Transit System	149	327	309	107%	-6%
City of Newark Transit Operations	5,474	6,459	5,519	1%	-15%
Clermont Transportation Connection	0	5,286	4,859	n/a	-8%
Greater Dayton RTA	9,227	16,980	14,848	61%	-13%
Greene County Transit Board	0	4,247	4,193	n/a	-1%
Laketran	11,257	12,264	11,556	3%	-6%
Licking County Transit Board	0	1,627	2,169	n/a	33%
Lorain County Transit	1,716	2,495	2,378	39%	-5%
Metro RTA	12,654	13,068	8,694	-31%	-33%
Miami County Public Transit	0	2,222	2,395	n/a	8%
PARTA	2,936	4,370	3,720	27%	-15%
Richland County Transit	761	1,073	704	-7%	-34%
Sandusky Transit System	0	1,987	2,112	n/a	6%
SORTA	12,292	10,228	9,297	-24%	-9%
Springfield City Area Transit	0	591	219	n/a	-63%
Stark Area RTA	4,087	6,334	6,310	54%	0%
The Greater Cleveland RTA	13,100	21,166	21,670	65%	2%
Western Reserve Transit Authority	649	990	945	46%	-5%
Total Hours of Operation	86,748	122,236	113,460	31%	-7%

Source: National Transit Database

Note: At some point during the data reporting period between January 2002 and May 2008, Allen County RTA and Toledo Area RTA also reported offering Demand Response services, but neither transit agency reported offering such services in 2008.

Widespread Cuts Considered by Ohio's Transit Agencies

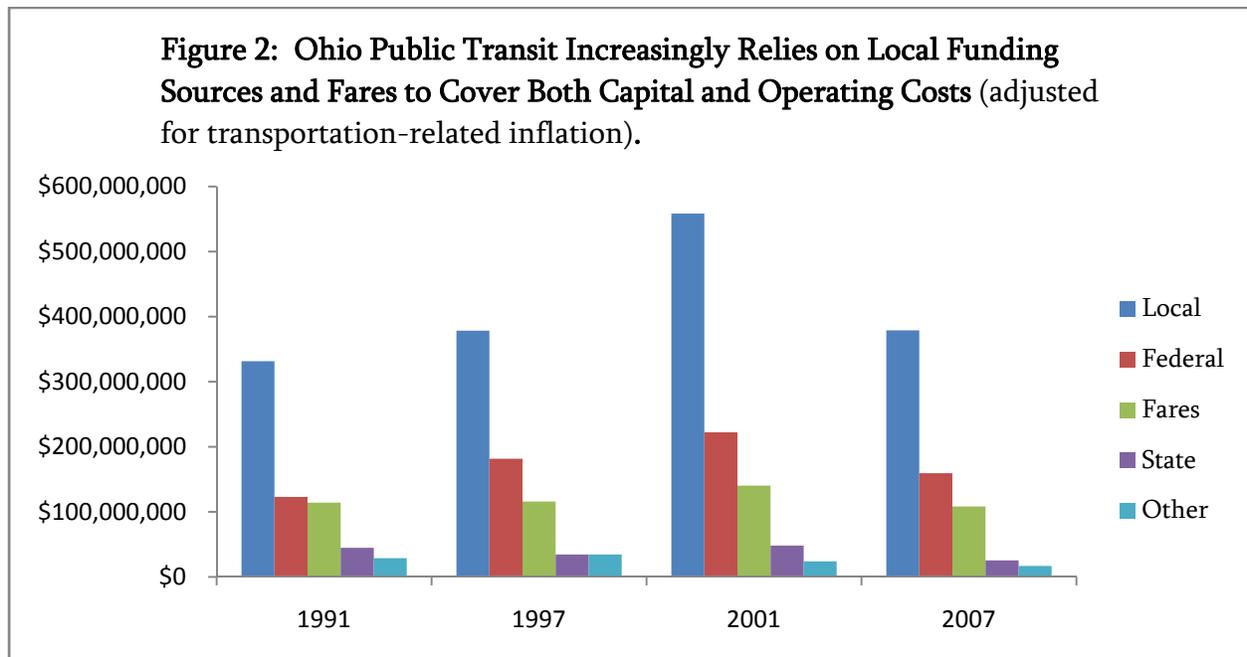
Despite across-the-board increases in ridership and unequivocal support on the part of administrators for the importance of these services, Table 12 shows eight out of twelve survey respondents reported making, or considering, cuts to public transit services during the height of the fuel crisis. Joe Calabrese from the Greater Cleveland RTA said that while many of the routes being eliminated were used by fewer people, these routes are of great importance to those using them. Many of the potentially affected riders are workers commuting to low-wage jobs during non-traditional business hours (shifts other than 8 or 9 a.m. to 5 or 6 p.m.).

Table 12.	Have you recently made or considered cuts to the number of vehicles you use, hours of transit availability, or service routes? Are you expanding any services?
Greater Cleveland RTA	The GCRTA held a series of hearings on proposed cuts to services and increased fares. [<i>Update</i> : Following a public hearing with much public outcry, GCRTA increased fares 25 cents, eliminated four routes, and reduced services on 18 other routes, amounting to fewer cuts and a lesser increase in fares than originally proposed. ¹⁴]
Greater Dayton RTA	We reduced service levels by 12% in the past year to balance our budget and are considering further reductions to remain in balance in 2009. This would reduce [the number of] vehicles, hours and potentially whole routes.
Clermont Transportation Connection	We cut demand response service in 2001, but have not made any cuts since then and we do not have any planned. We are expanding services by converting our inefficient demand response and replacing it with fixed routes. We also just took over a route from the Cincinnati Metro as a cost saving measure.
City of Middletown	Saturday service is possibly to be cut and fares may increase as well.
Butler County RTA	BCRTA shut down services in 2002 due to no local funding. We are just now beginning to build services, however limited, using creative funding strategies.
Licking County Area Transportation Study	No cuts have been made by either transit agency in our service area at this time.
City of Newark	Considering cuts to hours. We are currently operating 24/7. We are looking at expanding service to city limits. We are only serving a portion of the city.
Richland County Transit	We do not anticipate any service reduction at this time and we have not reduced service since August of 2003.
City of Sidney	No plans to cut service are being considered at this time. Plans to expand hours have been put on hold due to increased fuel costs.
City of Lancaster	No cuts. [P]roviding the funding and approvals make it possible, [w]e would like to implement changes that include longer service hours/days, expanded service area, and a commuter service, if possible.
Washington County, Community Action Bus Line (CABL)	We have currently not made any cuts in services. However, we are looking to cut services next year. We currently operate 6 days a week, but are looking to cut back to 5 days.
Laketran	No service cuts have been made or are planned. No service expansion is planned due to lack of additional funding. Fares increased in June 2008 for the second time since 1986. Fixed route and demand response increased by 25 cents; commuters by 50 cents.

¹⁴ Karen Farkas, Plain Dealer, *Regional Transit Authority Fares Go up Oct. 27* (Oct. 14, 2008). Note: Fewer cuts were partly made possible by additional funding from Northeast Ohio Area Coordinating Committee on the urging of Governor Strickland. The NOACA funds, while helpful, are not a long-term solution.]

Ohio's Transit Funding System

There is general agreement from Ohio's transit agencies that the state of Ohio could do much more to improve the state of public transportation in Ohio. Carla Lakatos from Butler County RTA points out that "[a]ll forms of transportation are subsidized. However, transit is the only one that must rely on local decisions (tax levies, general revenue funds, etc.)." Kathy Adams, Richland County Transit adds: "Local decision makers need to know that the economy of any area would be affected by the loss of public transportation, and some systems could very well cease operation if state funding continues to be reduced." Figure 2 shows public transit agencies increasingly rely on local funding sources and fares, as the small amount of state funding they receive declines. Local expenditures, made up largely of sales and property tax revenues, exceed federal or state investments in public transit. As Figure 2 makes clear, when adjusted for inflation, all sources of funding for transit have been declining and the system is even more poorly funded now than it was a decade ago.



Source: National Transit Database

Figure 3 shows state funding for public transportation in Ohio has declined significantly over time, almost 50 percent from 1998 to 2007. While not included in the following graph, in 2008, state transit spending continued its decline, going from \$17.3 million in 2007 down to \$16.4 million in 2008 (actual expenditures according to Ohio Public Transit Association).¹⁵

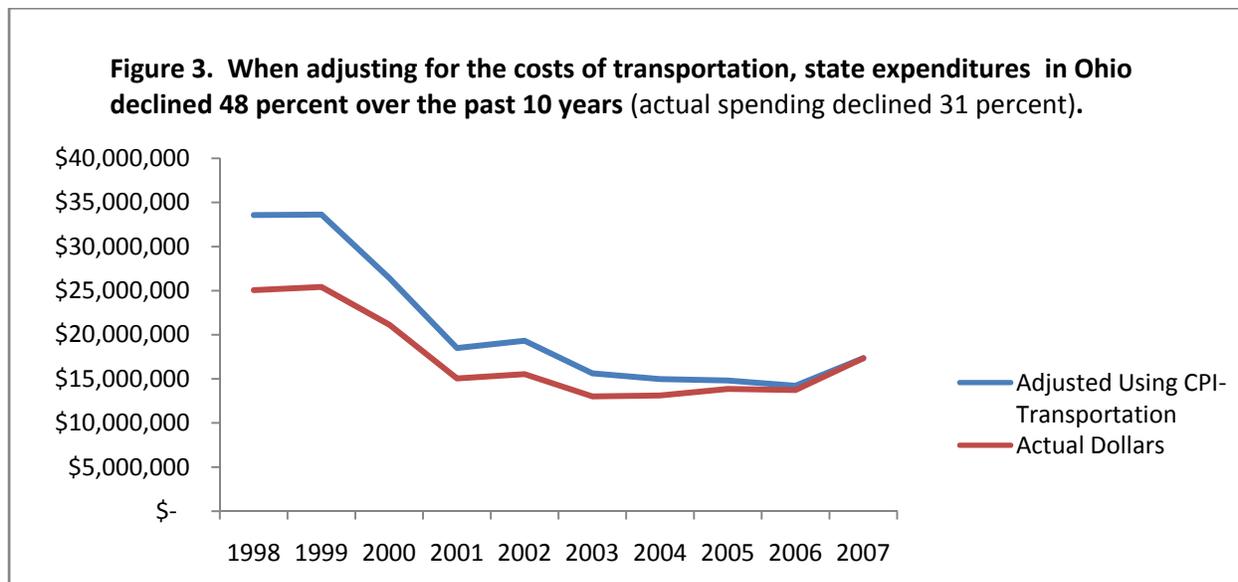


Table 13 shows that state spending on public transportation pales in comparison to even nearby states. The state of Ohio spends about half of what Indiana spends on public transportation, 5% of Illinois expenditures, and less than 3% of Pennsylvania’s. Per capita, Indiana spends 3.6 times as much as Ohio does, Michigan nearly 10 times as much, and Pennsylvania more than 33 times as much as Ohio spends.

Table 13. Public Transit is better funded by similarly situated states.

State	2007 State Level Operating Expenditures	2007 Population (est.)	2007 Per Capita Spending (operating expenditures).
New York	\$ 2,846,279,241	19,297,729	\$ 147.49
Pennsylvania	\$ 629,171,700	12,432,792	\$ 50.61
Illinois	\$ 345,626,904	12,852,548	\$ 26.89
Wisconsin	\$ 98,790,271	5,601,640	\$ 17.64
Michigan	\$ 151,775,749	10,071,822	\$ 15.07
Indiana	\$ 34,393,876	6,345,289	\$ 5.42
Ohio	\$ 17,374,565	11,466,917	\$ 1.52

¹⁵ Ohio Public Transit Assoc., *Public Transit in Crisis* (July 10, 2008).

Transit funded overwhelmingly from local, inconsistent sources

Figure 4 shows that 70% of all transit funding came from either Local Revenue Sources or Fares in 2007. Plus, nearly half of federal funding for public transit in Ohio is allotted specifically for capital equipment (46%), and cannot be used towards operating expenditures in order to address fuel price pressures.

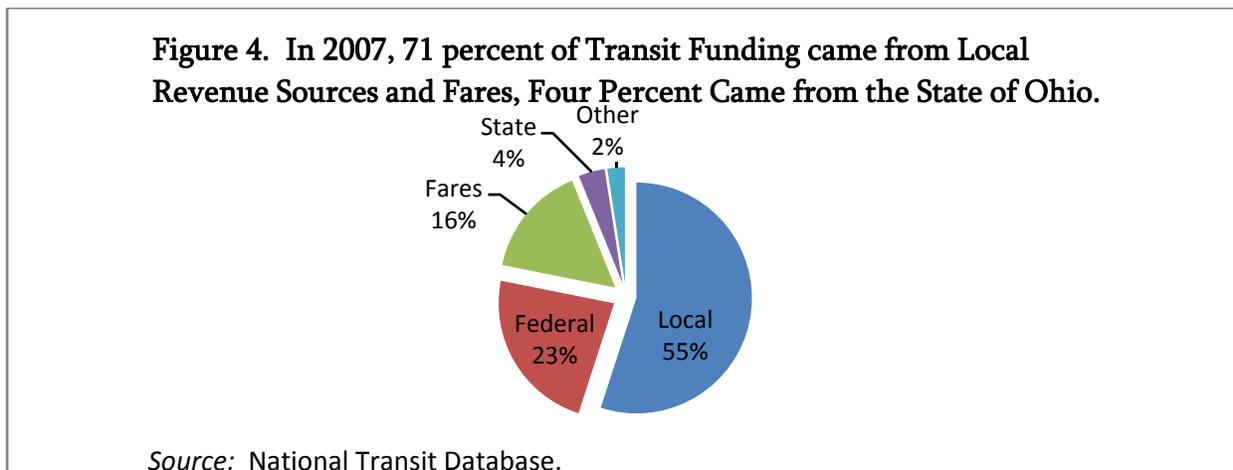
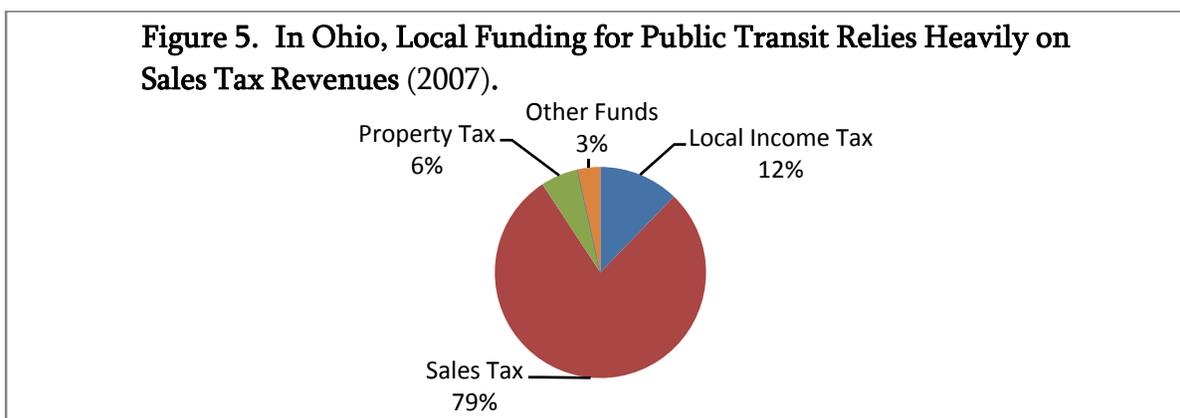


Figure 5 shows that local transit funding in Ohio relies heavily on sales tax revenues. In order for local entities to have sales or property taxes that support public transit, levies must be approved by ballot initiative, making it difficult for many local entities to start, maintain, or expand services to meet increasing demand for public transportation services. Eight cities have a sales tax supporting public transit.¹⁶ Three areas have a property tax.¹⁷



Note: Sales tax revenues are declining, as the economy slows down, adding greater pressure to the public transit budget. The Cuyahoga Sales Tax Level declined 4.2 percent in October from its 2007 level, for instance, and declined 3.6 percent the previous month from its September 2007 level.¹⁸

¹⁶ Akron, Canton, Cleveland, Columbus, Dayton, Kent, Grand River, and Brunswick.

¹⁷ Toledo, Youngstown, and Clermont County.

¹⁸ George Zeller, Economic Indicators: Trend in the Cuyahoga County Sales Tax Collection Level 1990-2008 (October 2008) at <http://www.nacs.net/~georgez/salestaxtrend1008.pdf>.

Public Transportation has not been made a priority in Ohio

In the past, public transportation has not been made a priority in Ohio. Going forward, Ohio must prioritize transit-oriented development, access to transit for low-income and working families, and low-impact transportation options like regional bikeways. Ohio does not currently allocate enough funding to make public transportation a reliable option for Ohio's commuters. An enormous public commitment towards streets and highways pave the way to the choice to drive a car or truck. Similarly, a serious public commitment to public transit could make public transit an equally viable option for Ohioans. But Ohio currently underfunds public transportation relative to streets and highways. Table 14 shows Ohio ranks 40th in the nation for its level of state public transit expenditures as a percentage of total transportation spending. Less than one percent of Ohio's transportation dollars go towards public transit.

Table 14. Ohio ranks near the bottom for state public transit spending as a percentage of total transportation spending.					
State	Transit Spending Prioritization		State	Transit Spending Prioritization	
	Ranking	Percentage		Ranking	Percentage
New York	1	50.31%	Iowa	26	2.04%
Maryland	2	38.08%	Arkansas	27	1.97%
Massachusetts	3	34.21%	Maine	28	1.89%
Connecticut	4	29.38%	Washington	29	1.89%
New Mexico	5	15.69%	Texas	30	1.66%
Pennsylvania	6	14.82%	North Dakota	31	1.40%
New Jersey	7	14.27%	Kentucky	32	1.36%
Colorado	8	13.50%	Arizona	33	1.27%
Minnesota	9	11.64%	South Carolina	34	1.24%
Rhode Island	10	10.86%	Kansas	35	1.18%
Illinois	11	8.42%	West Virginia	36	1.11%
Delaware	12	8.32%	Alabama	37	1.06%
Michigan	13	8.15%	Hawaii	38	0.89%
Virginia	14	7.90%	Idaho	39	0.86%
Wyoming	15	7.14%	Ohio	40	0.77%
Wisconsin	16	6.76%	Oklahoma	41	0.74%
Georgia	17	5.99%	Montana	42	0.67%
Vermont	18	4.58%	Mississippi	43	0.67%
North Carolina	19	4.12%	New Hampshire	44	0.66%
California	20	3.95%	Nebraska	45	0.56%
Oregon	21	3.54%	Alaska	46	0.53%
Tennessee	22	3.22%	Louisiana	47	0.37%
Florida	23	3.20%	Nevada	48	0.25%
Missouri	24	2.36%	Indiana	49	0.15%
South Dakota	25	2.07%	Utah	50	0.04%

Source: NRDC Issue Paper, *Fighting Oil Addiction: Ranking States Oil Vulnerability and Solutions for Change* (rankings based on state transit spending as a % of highway spending in 2006, data from the Federal Highway Administration).

Table 15 shows that Cleveland ranks 20th in per capita public funding among the 50 largest transit agencies when considering all sources including federal, state, and local. The Greater Cleveland RTA ranks behind comparable cities such as Pittsburgh, Detroit, and St. Louis in per capita funding for public transportation, while Cincinnati ranks 33rd. To become more vibrant and appealing to workers and firms, and reduce emissions, Ohio must help its cities embrace public transit.

Table 15. Per Capita Funding of 50 Largest Transit Agencies Across U.S.					
Rank		Per Capita Funding	Rank		Per Capita Funding
1	Washington, D.C.	\$ 971	26	Minneapolis	\$ 134
2	San Francisco (Muni)	\$ 618	27	Austin	\$ 131
3	New York City Transit	\$ 615	28	New York (MTA-MNCR)	\$ 120
4	San Francisco (BART)	\$ 598	29	Harris County, TX	\$ 117
5	Chicago	\$ 290	30	Long Beach	\$102
6	Atlanta	\$ 282	31	Jersey City	\$101
7	Philadelphia	\$ 276	32	Rockville, MD	\$101
8	Seattle	\$ 267	33	Cincinnati	\$ 96
9	Portland	\$ 262	34	Garden City, NY	\$ 92
10	Boston	\$ 260	35	Newark	\$ 90
11	Pittsburgh	\$ 238	36	Phoenix	\$ 89
12	Baltimore	\$ 207	37	Salt Lake City	\$ 89
13	San Jose	\$ 196	38	Jamaica, NY	\$ 84
14	Detroit	\$ 193	39	San Antonio	\$ 80
15	Oakland	\$ 193	40	Orange County	\$ 80
16	Miami	\$188	41	Las Vegas	\$ 74
17	Honolulu	\$ 181	42	Northeastern Illinois Regional Commuter Railroad Corp.	\$ 72
18	Dallas	\$ 178	43	Pompano Beach, FL	\$ 66
19	St. Louis (Bi-State)	\$ 177	44	San Diego	\$ 66
20	Cleveland	\$ 161	45	Orlando	\$ 57
21	Milwaukee	\$ 158	46	New York (MTABUS)	\$ 42
22	Mt. Vernon, NY	\$ 149	47	San Diego Trolley	\$ 26
23	Los Angeles County	\$ 144	48	Chicago (Suburban)	\$ 25
24	Sacramento	\$ 135	49	San Juan, PR	\$ 18
25	Denver	\$ 134	50	Los Angeles (LADOT)	\$ 6

Source: GCRTA, based on National Transit Database Report 2006

Governor Strickland's Proposed Implementation of Ohio's 21st Century Transportation Taskforce Recommendations

Following the recommendation of Ohio's 21st Century Transportation Taskforce, Governor Strickland proposed in his 2010-2011 State Transportation Budget to develop a multi-modal Statewide Transportation Futures Plan—a strategic blueprint on how to better connect Ohio's workforce to jobs and foster economic growth—that would include a comprehensive transit system as well as a bicycle and pedestrian transportation system plan.¹⁹ Governor Strickland's new budget would also allow for the creation of regional Transportation Innovation Authorities, a body of local government officials, Metropolitan Planning Organizations, and transit authorities, who can collaborate to develop smart, multi-modal transportation projects that promote growth and economic development. To help encourage the formation of these Transportation Innovation Authorities, Governor Strickland also proposes directing \$110 million in FY 2010 towards New Generation Multi-Modal bonds and loans to provide some financial assistance to Transportation Innovation Authorities for roadways, transit-oriented development, light rail or intercity rail (including the development of a passenger rail line between Cleveland, Columbus, and Cincinnati). These transportation initiatives could help to provide Ohio with the vision, as well as the regional and inter-agency coordination capacity, to take a smarter, more strategic approach to developing Ohio's economy, via our transportation infrastructure. This approach will also enable Ohio to better maximize the use of flexible federal transportation funds towards public transportation purposes. The executive budget also directs \$20 million in federal dollars towards the purchase of green transit vehicles, although this amount has been reduced to \$15 million by the House Finance and Appropriates committee.

We applaud Governor Strickland's bold steps towards developing a 21st Century multi-modal transportation system. However, the proposed state budget does not make public transportation a priority among state transportation dollars being expended, nor does it create a dedicated and continued source of funding for public transportation purposes. The Ohio Department of Transportation forecasts that the state motor fuel tax, which amounts to 28 cents per gallon of motor fuel purchased being collected, will raise approximately \$1.08 billion in each of FY 2010 and 2011 for transportation purposes. Due to a limitation in the Ohio constitution, which should be changed, these funds cannot be used for public transportation. Instead, state public transportation funding comes largely from the general revenue fund, where it competes with many other programs for its share of funds. For FY 2010, and FY 2011, the public transportation line item from the state, the amount specifically allotted to support Ohio's transit systems, is \$13.3 million for each year, representing a decrease of over nine percent from the already abysmally low \$14.7 million appropriated in fiscal year 2009.

Compared to the Dept. of Transportation's proposed \$3.2 billion in transportation expenditures for FY 2010, and \$2.8 billion in FY 2011, the \$13.3 million specifically allotted for public transportation is very small. Less than one percent of funds over the next biennium are specifically directed towards public transportation purposes. Ohio must do better if it wants to develop a 21st century transportation system for a 21st century economy.

¹⁹ Ohio's 21st Century Transportation Priorities Task Force, *Moving Ohio into a Prosperous New World* (Jan. 2009) at <http://www.dot.state.oh.us/groups/tft/Documents/21stCenturyTransportationPrioritiesTaskForceReport-Web.pdf>. See also Testimony of Director Molitoris to the House Finance and Appropriations Committee at <http://www.dot.state.oh.us/news/Pages/2010-2011StateTransportationBudget.aspx>.

Recommendations

1. **Make public transportation a priority in Ohio.** Ohio must increase state funding for public transportation, and dedicate significant funds to a new “Transit Trust Fund” in order to offer real transportation alternatives. Ohio needs a dedicated source of funding for transit. Federally, 18 percent of the federal gas tax goes to transit. In Ohio, zero gas tax revenues go towards public transit due to a constitutional prohibition. Ohio should amend the state constitution to allow 20 percent of Ohio’s gas tax revenues to go into an Ohio Transit Trust Fund to develop a 21st century public transportation program.
2. **Treat public transportation as an economic development tool and promote inter-agency coordination to develop a 21st century worker-friendly, clean and green, economy.** The Ohio Department of Transportation, the Ohio Air Quality Development Authority, and the Ohio Department of Development should coordinate in the planning and development of public transportation. Transportation services have a positive impact on economic growth. Green communities will attract forward-thinking business and a 21st century workforce. Public transit also reduces the costs of commuting, delivers consumers to grocery and retail stores, employs transit-related personnel, relieves traffic congestion, and provides mobility to those who are transit-dependent (ensuring access to jobs, health services, grocery stores, and child care). As Carla Lakatos, Executive Director of Butler County RTA noted: “[The choice] should not be either roads or public transit – public transit should be treated as a critical tool in the tool belt for future development.”
3. **Economic development incentives should be reserved for workplaces that are accessible to our workforce by public transit.** Businesses seeking incentives from the state should be required to locate in transit-accessible spaces where they will have access to a larger workforce. As Joe Calabrese from GCRTA said “Don’t give money to business our workers can’t get to. A job workers must drive to in order to reach becomes a more expensive job for workers to have. And for the transit dependent, it is not a job opportunity at all.” Dawn Rauch, Assistant Planner of Washington County agrees “[p]ublic transit needs to become a priority in our society. More and more people are going to become dependent on transit services to meet their needs.”
4. **Increases in state funding should come with a requirement for “Coordinated Plans”:** Transit agencies, school transportation services, and agencies that get transportation funds for their social service programs should coordinate to ensure the most economical use of resources. According to Sandie Mapel, from Licking County Transportation Study, “[i]f these funds could be pooled and directed toward transit agencies, the overall service [and] coverage would improve.”
5. **Use some of the Federal Highway Trust Fund distributions for non-highway purposes.** According to a report from Greater Ohio and the Brookings Institute, Ohio receives billions of dollars from the federal Highway Trust Fund—of which between 50 percent and 77 percent of fund distributions could be “flexed” and spent on non-road purposes.²⁰ To date, Ohio has only taken advantage of federal spending flexibility in one grant category, the Congestion Mitigation and Air Quality (CMAQ) program. Governor Strickland’s proposal to allow for the creation of regional Transportation Innovation Authorities, to encourage a more strategic multi-modal transportation

²⁰ J. Vey, A. Friedhoff, S. Lew, *Restoring Prosperity: The State Role in Revitalizing Ohio’s Core Communities* (2008) at http://www.greaterohio.org/restoring_prosperity/summit_docs/draft_report.pdf.

approach across Ohio, could serve to diversify our portfolio of transportation options and help flex federal funds.

6. **Support the Ohio Transit “Clean and Green” Initiative.** The Ohio Public Transit Association (OPTA), on behalf of its 60 public transit members, proposes that the state of Ohio provide funding for the purchase of 500 clean and environmentally-friendly, electric or bio-fuel propulsion buses, over the next 5 years, at a cost of approximately \$50 million (which could come from both state and federal resources). A statewide Clean and Green initiative would: reduce commuting costs for Ohioans, as fuel prices remain volatile; reduce costs for transit providers (by reducing capital budget needs for locally funded bus replacements, and reducing operating costs due to a 33% reduction in fuel usage); improve transit system reliability; support Ohio’s bio-fuel industry; improve air quality, to attain or maintain Federal Air Quality Attainment (particularly true for air-quality non-attainment zones); reduce greenhouse gases; reduce noise levels traditionally associated with buses; and attract new riders, which will further improve air quality. The executive budget for FY2010 and FY 2011 proposes to direct \$20 million in federal resources towards green transit vehicles. This is a good start, and Ohio’s legislature should restore the original proposed funding levels that were since decreased by the Ohio House of Representatives.
7. **Clean up diesel emissions from Ohio’s transportation system by establishing continued funding resources for retrofitting older diesel vehicles, including transit motor buses, with emissions control equipment.** The state and federal government should continue funding the Diesel Emissions Reduction Grant (DERG) program which helps public and private fleets clean up their diesel emissions to improve Ohio’s air quality and create a healthy, sustainable, and robust 21st century economy, and should receive continued funding. Public transit operates in many of Ohio’s diesel hot spots identified by the Environmental Protection Agency. An investment to clean up diesel emissions means cleaner, more sustainable, urban centers and a reduction in the number of zones not attaining federal EPA environmental standards.

Appendix 1. National Transit Database Terms.

Paratransit. Types of passenger transportation which are more flexible than conventional fixed-route transit but more structured than the use of private automobiles. Paratransit includes demand response (DR) transportation services, shared-ride taxis, car pooling and vanpooling (VP), and jitney (JT) services. Most often refers to wheelchair-accessible, demand response (DR) service.

Purchased Transportation (PT) Transportation service provided to a public transit agency or governmental unit from a public or private transportation provider based on a written contract. The provider is obligated in advance to operate public transportation services for a public transit agency or governmental unit for a specific monetary consideration, using its own employees to operate revenue vehicles.

Unlinked Passenger Trips (UPT) The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination

Vehicle Revenue Hours (VRH) The hours that vehicles are scheduled to or actually travel while in revenue service. Vehicle revenue hours include layover / recovery time; but excludes deadhead, operator training, and vehicle maintenance testing, as well as school bus and charter services.

Vehicle Revenue Miles (VRM). The miles that vehicles are scheduled to or actually travel while in revenue service. Vehicle revenue miles include layover / recovery time; but excludes deadhead, operator training, and vehicle maintenance testing, as well as school bus and charter services.

Vehicles Operated in Annual Maximum Service (VOMS). The number of revenue vehicles operated to meet the annual maximum service requirement. This is the revenue vehicle count during the peak season of the year, on the week and day that maximum service is provided. Vehicles operated in maximum service (VOMS) exclude atypical days, or one-time special events.

Appendix 2.

Survey Respondents and Transit Services Offered.		
Survey Respondents	Transit Authority	Services Offered
Joseph Calabrese, CEO	Greater Cleveland RTA	Offer both fixed route & demand response services.
Mark Donaghy, Executive Director	Greater Dayton RTA	Offer both fixed route & demand response services.
Benjamin Capelle, Director	Clermont Transportation Connection, Batavia	Offer both fixed route & demand response services, and are the primary provider of non-emergency Medicaid transportation for county.
Stephen F. Murphy, Transit Manager	City of Middletown	Offer both demand response & fixed route services from 6:30am to 6:30pm M-F and 8:30a to 4:30p Sat; No Sunday Service.
Carla Lakatos, Executive Director	Butler County Regional Transit Authority	Provides demand response service and flexible fixed route (shopping shuttles). In addition, BCRTA contracts with Southwest Ohio RTA to provide park-and-ride services that connect several Butler County locations with downtown Cincinnati for work trips.
Sandie Mapel, Technical Director	Licking County Area Transportation Study (LCATS)	Licking County Transit Services provide services to county residents outside Newark and Heath. Transportation services offered Monday through Friday, 6:00 AM - 6:00 PM. LCATS also works closely with City of Newark Taxi Token Program.
Helen Hall, Transit Operations Coordinator	City of Newark, Newark-Heath Taxi Token Program	Shared ride, immediate Demand Response service in the cities of Newark and Heath.
Kathy Adams	Richland County Transit (Mansfield area)	RCT operates both fixed route and complementary para-transit service, Monday-Friday from 7:00am to 6:00pm.
Rosann Christian	City of Lancaster (rural)	Demand Response, Monday - Friday 5:00 a.m. - 9:00 p.m. and Saturday, 7:00 a.m. - 6:30 p.m.
Deb Grogean, Transit Manager	City of Sidney, Shelby Public Transit (rural)	Demand Response. City service hours are Mon. to Fri., 7:45 am thru 4:30 pm; County service hours are Mon. to Fri., 8:00 am thru 4:00 pm.
Dawn Rauch, Assistant Planner	Washington County, Community Action Bus Line (CABL)	CABL provides curb to curb, ADA Paratransit Services to eligible disabled persons, and fixed bus routes.
Jessie Baginski, Director of Communications	Laketran	Offers fixed route and demand response services, with free local services to college students.

Appendix 3

Appendix 3 includes a number of urban transit agencies that did not continually report services and ridership to the Federal Transit Administration, and hence were excluded from the overall analysis. Transit authorities are not required to report their activities to the Federal Transit Administration if they operate nine or fewer vehicles. This explains some non-reporting but not all. Since these agencies did not provide continuous reporting, they were not included in the quantitative data analysis.

Several Urban Transit Agencies Offer Fixed Route Services, but have not consistently reported services. These agencies either did not consistently offer the services or were not required to report them because they operated nine or fewer vehicles.	
Allen County Regional Transit Authority (Lima)	Fluctuates between 9 and 10 vehicles in operation, and reported services only for 2006 period. However, 2008 ridership is up 4% since January 2008 and they anticipate operating enough vehicles in 2009 to warrant reporting.
Butler County Regional Transit Authority	Reported fixed route services for 2002, offering an average of 3,091 rides per month on fixed routes, with 10 motor buses. They also had 29 demand response vehicles in operation. They did not report services in the four years subsequent. In 2007 and 2008 Butler County again began reporting demand response services, but not fixed route services.
Springfield City Area Transit	Reported services from January 2006 to December 2007 (averaging 36,199 rides per month using between 12-15 motor buses). No directly operated fixed route services reported in 2008, but reported purchasing a more limited amount of fixed route transportation services from a private transportation company.
Stark Area Regional Transit Authority (Canton)	Reported services in 2002 (with 40 motor buses operating on fixed routes and 35 demand response vehicles). SARTA did not report services to the FTA from 2003 to 2007. For 2007 and 2008, Stark area averaged 179,762 rides per month (operating 34 motorbuses and 24 demand response vehicles).
Western Reserve Transit Authority (Youngstown)	In 2002, WRTA reported operating 35 motor buses on fixed routes, and 5 demand response vehicles, declining over time. In 2007 and 2008, fixed route services were reported, after a period of time without any reporting in 2006, but at a 43% reduction in average transit vehicle miles travelled per month from 2005 numbers. As services offered declined 43 percent, transit ridership declined at a lesser pace by 26% (from an average of 120,248 rides per month before 2006 to an average of 88,865 rides per month in 2007 and 2008).
<i>Source:</i> National Transit Database	

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