

The Case for Transit Funding

Texas Friends of Transit, September 18, 2020

Texas will grow from 29 million people today to about 50 million around 2050. To address traffic crashes, traffic, fiscal responsibility, equity, and sustainability, the state should invest in forward-looking, long-term transit solutions to ensure our growth is not limited by underfunding transit.

21st Century freedom includes safe access and mobility options – which we don't have in Texas.

Texas uniquely has utilized transit austerity measures for the last several decades, leaving our major metro areas with strategic disadvantages compared to our peer regions in North America. For every dollar per capita allocated to transit in a major Texas metro region, seven dollars per capita fund transit for the people of Seattle.

In Texas, we have provided and should continue providing significant state funding for public transit in rural and small metro areas, while neglecting our major metro areas, home to 75% of Texans.

A growing coalition will be working with the Texas legislature in 2021 to fix our failed transportation system and bring our transit funding strategy up to basic standards for American metro regions.

Public transportation is much safer than driving – about ten times safer per mile driven. A person reduces his or her chance of being in a crash by 90% just by taking transit instead of a car.

More than 11.7% of Texans have disabilities, and many have reduced mobility, particularly if unable to drive. Public transit plays a huge role in making cities accessible to everyone, including commuters, students, senior citizens, low-income households, and people of all abilities. With our booming senior population, more and more Texans will want to continue leading active lifestyles beyond

Three legislative strategies

- **Add new funding for transit for major metropolitan areas**
- **Allow TXDOT to use existing funding for the best use, including transit**
- **Allow Texas metropolitan regions to fund transit needs**

the age that they can safely drive their own personal vehicle. Transit access is a cure for isolation.

Access to safe, multi-modal transportation allows active lifestyles with walking, biking, or using a wheelchair as part of regular trips. Over two thirds of transit riders walk to their transit stops.

Texas leads the nation in traffic fatalities with an average of 10 people dying every day, imposing a huge personal tragic costs and huge economic costs. Increasing access by transit decreases traffic deaths and crashes, but Texas historically has neglected the state role in funding transit.

Texas Friends of Transit is a statewide coalition of pro-transit nonprofits and community groups.

The Steering Committee is:

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Jay Blazek Crossley , Farm&City	Austin
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Texans Need Transit Funding

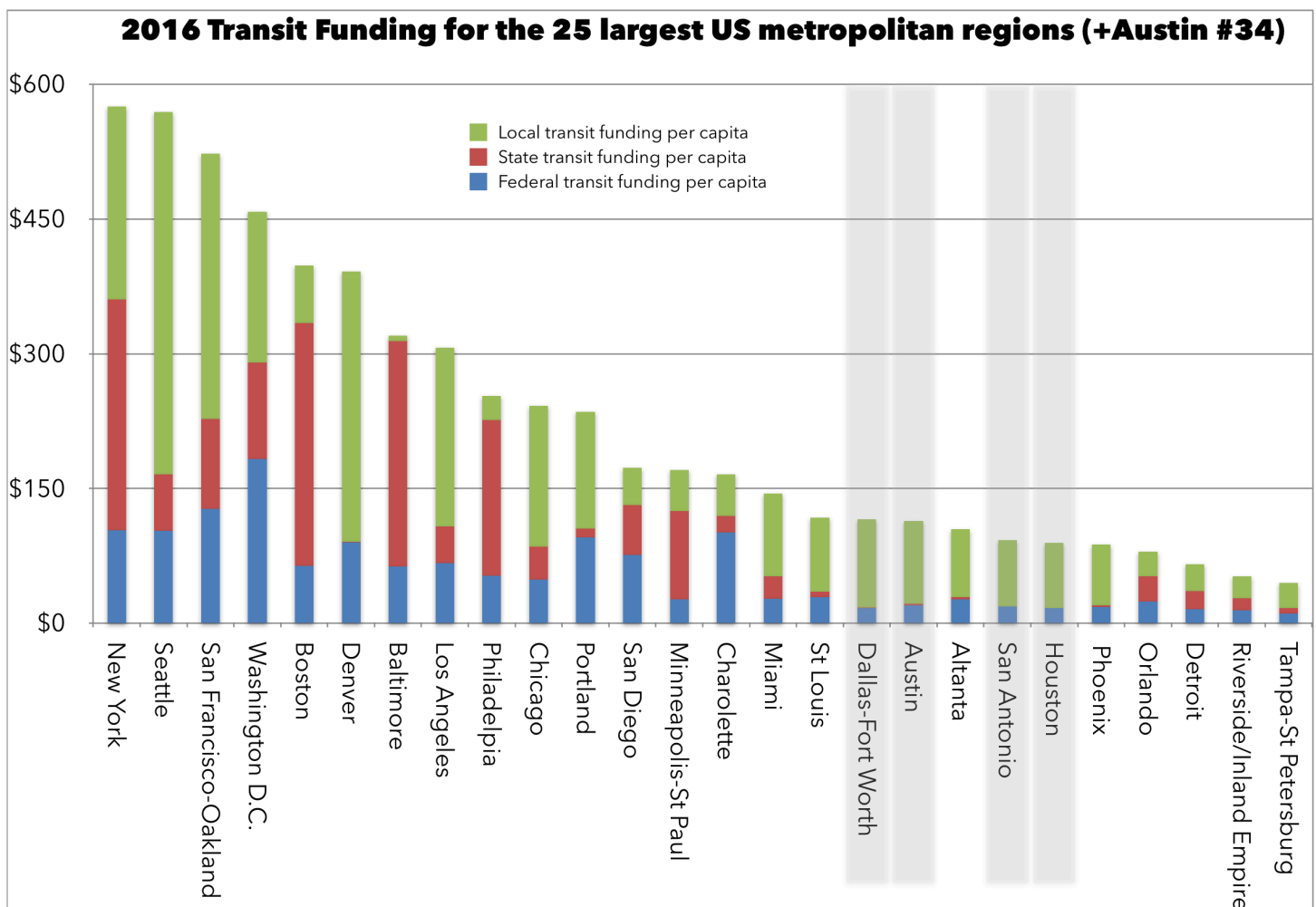
Texas is the only state left in the nation with large metropolitan areas that does not have dedicated state funding for public transportation in its major metros and does not allow the people of its major metros to vote to fund public transit with local options.

Ohio and Texas were the last states without dedicated state funding for transit for major metros or local options funding, but the Republican legislature and Governor of Ohio raised the state gas tax in 2019 and doubled their dedicated funding for transit. Sufficient funding for public transportation is an important economic tool, getting lower-income workers to their jobs and providing alternatives to sitting in car congestion.

Our low rate of state and local transit funding also means that we are leaving available Federal matching funds on the table, and sending them

to our competitor metro regions. Each public dollar spent on public transportation produces 70 percent more job hours than a dollar spent on highways, according to Smart Growth America's "[Learning from the 2009 Recovery Act](#)" report.

A majority (54%) of our state and local spending on roads in Texas does not come from user fees. The outdated belief that transit is subsidized and driving is not is simply untrue. A balanced approach to a safe, multimodal future will help Texans have better access to jobs, cleaner air, walkable communities, and healthier lifestyles.



Six Strategies for State Transit Funding for Our Major Metros

The Texas legislature has some appealing options for our needed increase in state transit funding.

1 Finally increase the state gas tax to match the lower end of the gas tax in other large states with large urban areas, and dedicate a portion to public transportation. This could be done by a variety of means, including depositing most of the increase into the Texas Mobility Fund, which is the major state transportation funding vehicle that allows the Texas Transportation Commission to allocate funds using performance-based measures targeted at the greatest needs, including public transit. Increasing the gas tax and indexing it to inflation is long overdue, and any reasonable proposal will use increased gas tax funds for a variety of needs, including a portion to provide Texans more access by public transportation.

2 Create a state Vehicle Miles Traveled (VMT) tax to account for the costs of driving vehicles, regardless of the fuel and emissions costs associated with the gas tax. Fuel efficiency standards and increasing adoption of electric vehicles mean that gas tax revenues overall will continue to decrease. However, every vehicle on the roadways imposes various costs on other people and on the state, and even a gas tax increased by 20 cents would not come close to covering the public costs of driving in Texas. All users should contribute to paying for the costs they impose on the system, not just the heavy costs associated with burning gas in internal combustion engines. The VMT Tax should be credited to the Texas Mobility Fund, to be able to be used for the highest need.

3 End the current strategy of requiring Texas public transit agencies to pay state fuel taxes.

4 Include dedicated funding for public transpor-

Investing in Texas public transit means:

- **Reduced crashes, more lives saved**
- **Equitable economic development**
- **More jobs per dollar spent**
- **Better air quality and public health**

tation in major metropolitan areas in the TXDOT budget. \$40 million a year in transit funding was added in 2019, but restricted to small metros and rural transit. This was based upon the TXDOT appropriation request, which was based upon an assessment done by the Texas A&M Transportation Institute (TTI). TXDOT asked TTI to study the gaps in transit access for all parts of the state, but with a sweeping exclusion at the beginning of the study: all areas within an existing large transit agency were to be excluded.

5 Create weight-based vehicle registration safety fees and dedicate a portion of the proceeds to increasing access by public transportation. Risk of injury and death from traffic crashes increases proportionally with the mass of vehicles using our system, while larger personal vehicles also have greater impact on our roadways. Texas is going to continue allowing Texans to choose the vehicles they feel their family needs, but one Texas strategy to deal with our safety crisis is to use the market mechanism of assigning the costs of that additional risk to the decision maker, by adding a weight-based vehicle registration safety fee.

6 Allocate some of the balance in the Texas Emissions Reduction Plan account to help Texas transit agencies electrify their fleets and deploy zero emissions vehicles, cleaning up the air in our cities and modernizing our transit fleet with existing funding. Other than a bicycle, there is no greener vehicle than a well-used electric bus or train.

Performance-Based TXDOT

How much do the extraordinary restrictions on most of TXDOT's funding streams hurt our ability to meet the growing and changing access and mobility needs of Texans? Could TXDOT do more good with its budget by switching to a performance-based funding system that allowed for spending on safety, transit, sidewalks, transit, and roads?

Local elected officials and TXDOT leadership have noted publicly in recent years that restrictions placed on our major transportation funding streams are causing inefficiency in TXDOT's ability to address the state's ever more complex transportation needs. Anyone engaged with local TXDOT officials has heard some version of "I agree with you that a managed lane optimized for transit is the best solution for this corridor, but our funding for this project will not allow that."

We should fund roads and transit. The legislature should put another constitutional amendment

on the ballot in 2021 to clean up the mistakes of Prop 1 and Prop 7, which the people of Texas thought would be used broadly for "transportation" and not just focused on private vehicles.

We need to ensure TXDOT funds can be used for the most pressing needs, based upon a performance-based decision making system, without artificial limitations. If TXDOT is barred from investing in public transportation, Texans will continue to get less than optimal results, essentially wasting our tax dollars, by not accomplishing the things that TXDOT could do for our communities.

Investment Strategy Preferences

To help inform the policy direction in the TTP 2050, the TTP 2050 Planning Priorities Survey asked respondents to rate four investment strategies that reflected different ways of allocating TxDOT's available transportation resources. The survey also asked participants to identify how they would allocate TxDOT resources and to rank each investment strategy on a scale of 1 to 5 stars (5 is the highest). The results of the surveys conducted during the public outreach are shared below:

Average Ratings of Investment Strategies



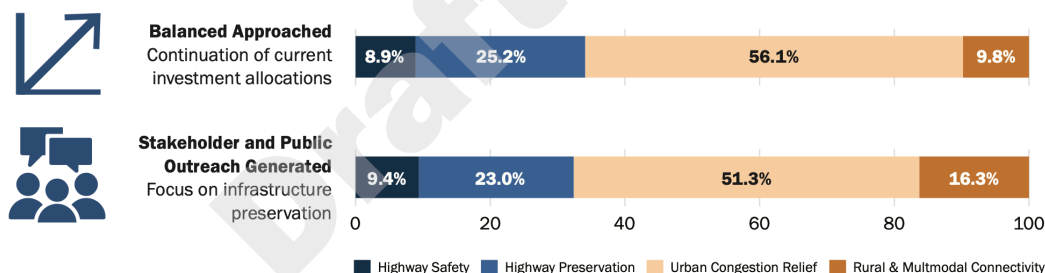
Overall results imply respondents want to see change from current practices but are divided about what the new emphasis should be.

Integrating Findings

The input received helped shape the plan in a few key ways. The visioning meetings helped create and articulate a long-term direction for transportation in Texas. The plan goals and objectives were adjusted to better reflect the public's transportation interests and concerns. The scenario analysis process was influenced by the investment priorities Texans expressed in workshops and surveys. Lastly, the input from citizens, businesses, and stakeholders helped identify the implementation strategies TxDOT will need to continue or undertake to make the plans goals and objectives a reality.

Refer to **Appendix A** for complete documentation from the TTP 2050 outreach effort.

Stakeholder and Public Outreach Generated Strategy v. Maintaining Current Strategies



Responses show an increased emphasis on safety and rural and multimodal connectivity.

Local Options Transit Funding

Local elected officials in the major metropolitan regions of Texas, representing 75% of Texans, have called upon the legislature for decades to allow regional safe, multimodal transportation plans to be funded by an up or down vote of the people of the region. Like the Republican controlled Tennessee legislature, our state can allow the locals to make these decisions.

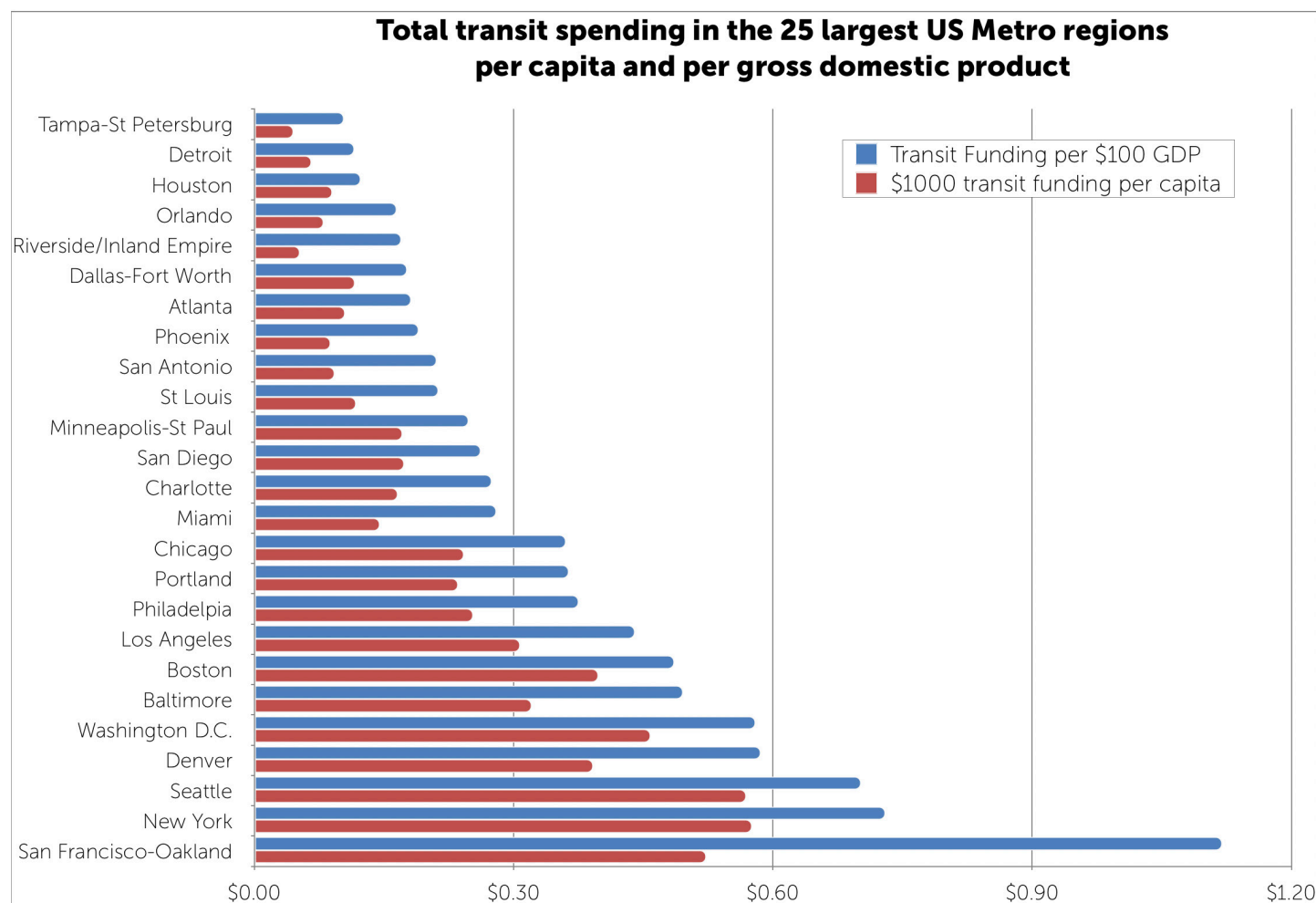
Major metro regions of Texas are the engines of our economy and our growth, where a strong majority of Texans live and work. Local governments have complex decision making systems through the Metropolitan Planning Organization's that include the long range transportation plans - a Federally required process to engage the people and governments of the region in planning for the future multimodal transportation system.

Local elected officials should be allowed to send regional transportation funding packages for voter approval, across multiple jurisdictions, as has been done in many red and blue states.

Local options transportation funding should allow local decision making to fund public transportation, but also improvements for all other modes as well as improving safety for all modes.

Optional sources of funding for local options votes should include regional sales tax, vehicle registration fees (including weight-based fees), regional gas tax, congestion pricing, and tax increment property tax strategies.

Local options legislation would have no negative state fiscal impact, but would positively impact economic development and some state income.



The Case for Increasing Texas' Gas Tax

We need a nickel of gas tax dedicated to public transportation

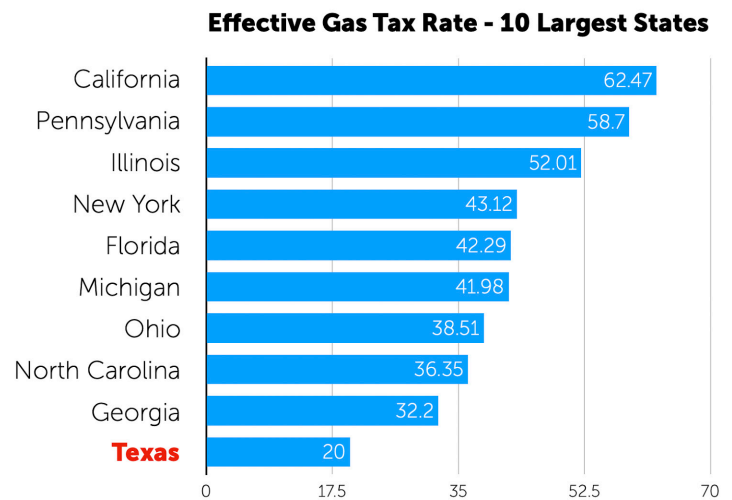
Of the 25 most populated states – where 85% of Americans live – the only states with a lower state gas tax than Texas are Arizona and Missouri. Our current gas tax was set at 20 cents in 1991, when the average retail gasoline price in current dollars was \$1.14 a gallon. The Texas state gas tax should be raised by 20 cents to provide for our growing transportation system costs, including at least a nickel dedicated to public transportation.

We believe Texas voters would strongly support raising the gas tax in 2021 with a mix of uses of the funds such as this:

- A nickel for public transportation
- A nickel for road maintenance and retrofitting existing facilities to current safe, design standards.
- Three cents for property tax relief through additional education funding
- A penny for congestion
- A penny for Road to Zero safety
- A penny for Safe Routes to Schools
- A penny for sidewalks and the ADA transition plan
- A penny for mitigation of the land, air, and health environmental costs of our transportation system.
- A penny for resiliency, disaster recovery, and sustainable economic development focused on supporting low-income Texas families.

According to the Texas Comptroller, Texans used about 13 billion gallons of gasoline and 4.5 billion gallons of diesel fuel and Texas motor fuels taxes generated more than \$3.4 billion in fiscal 2015. Each penny in gas tax would result in about \$175 million a year with current use patterns, with the entire twenty cent increase generating perhaps \$3.5 billion a year. If gas is at a price of \$3 a gallon, this changes the total gas tax from a 13% to a 16% tax, or \$3 more for a 15 gallon fill-up.

Some in Texas have been exploring the concept of a variable gas tax, such that the added gas tax



could vary based upon the price of gas. Whenever the price of gas is less than \$3, the full new 20 cent gas tax could be charged, but when the price of gas is above \$3, the amount of increased gas tax per gallon would be scaled down as the base price increases, lessening the cost impact on low-income Texans when gas prices are higher.

Disinvestment and an unbalanced strategy have left Texans with an unsafe transportation system with heavy personal costs in terms of time, crashes, and family budgets. The fact that so many Texans do not have good access to jobs by transit also means that our businesses do not have access to workers. Our "largest job centers do not offer broad transit coverage to their local businesses" according to the Brookings Institute study "[Where the Jobs Are: Employer Access to Labor by Transit.](#)"

Bringing our gas tax up to the average of the state gas taxes paid by the vast majority of Americans is an effective way to provide for the growing and changing access and mobility needs of Texans. We can do that in a way that helps maintain our road infrastructure, makes our communities healthier and safer for all, addresses the high environmental and health costs of our transportation system, and provides affordable access to low-income Texans.

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