



TRANSPORTATION FUNDING THREATENED IN CONGRESS

Your voice needed to avoid massive cuts, job losses and service disruption

- At stake is over **\$11 billion per year total** in federal transit funds for communities large and small — money to build brand new transit systems, expand existing ones, improve service, and operate smaller systems.
- **This includes almost \$5.5 billion** (projected to be allocated over multiple years) **intended for shovel-ready transit projects** all across the country. These specific projects have what are known as full-funding grant agreements (FFGA) from USDOT. These projects are ready to go, have already raised local or state funding and are only waiting to receive federal capital dollars to proceed. Just appropriating these already agreed-to federal dollars over multiple years **would support nearly 120,000 jobs**.
- If the rest of the transit construction projects currently in the federal pipeline (without funding agreements) move forward, **more than half a million jobs** (589,000) jobs would be supported over the next decade just by the federal dollars alone.
- **Almost \$9 billion in formula transit grants**, guaranteed by gas tax proceeds in the highway trust fund, will be distributed to states and urbanized areas this year. **Nearly 200,000 jobs are supported** each year by these grants. (Based on 2014 APTA report combined with FY17 transit spending.)
- None of these numbers include the millions of people who depend on transit to reach their jobs each day.

NATIONAL OVERVIEW

Though President Trump's budget request urged them to, Congress did not eliminate all funding that supports new transit construction in the May 2017 budget deal to keep the government open for the rest of the fiscal year.

- In a last-gasp budget deal to fund the government through the end of September (the 2017 fiscal year), Congress did ignore the President's requests to immediately eliminate funding for new transit construction.
- Congress set aside funding for transit projects that are nearly ready to begin construction but have yet to sign a full-funding grant agreement with USDOT.
- Congress did this by increasing spending nearly across the board and avoiding any hard questions about what to cut to make room for the President's desired defense increases (or tax cuts).

The administration and Congress will absolutely target public transportation funding for deep cuts in the 2018 budget. (The 2017 budget ends on September 30)

- President Trump has stated his intent to significantly cut domestic, discretionary programs – which include transportation funding – to offset the cost of his plan to increase defense spending by ten percent.
- The administration’s 2018 budget request eliminates all funding for new transit construction, other than the handful of transit projects that already have signed federal funding agreements.
- The administration has expressed their perspective clearly: highway projects are always inherently in the national interest, and transit of any type is explicitly a local concern and should be funded entirely by local dollars.

If cuts to transportation are made in the 2018 budget, they will not be felt equally – they will fall disproportionately on transit.

- Programs funded by federal gas tax revenues (through the transportation trust fund) benefit from stronger protections than discretionary funding programs.
- Any across-the-board cuts to transportation would fall disproportionately on transit because funding for new transit construction comes from other discretionary sources but all highway portions of the transportation program are funded entirely by the trust fund, effectively protecting that portion of the transportation budget from cuts.
- Previous to his new job, the Director of the Office of Management and Budget was heavily involved in the Heritage Foundation’s budget proposal, which could heavily inform either the administration’s budget proposal or Congress’ strategy.
- Heritage’s budget proposal included a repeat of the House’s failed 2012 effort to kick transit out of the highway trust fund, ending a decades-old, bipartisan agreement – forged by President Reagan – to spend roughly 20 percent of federal transportation funds on public transportation.

Any cut to transit funding is a repudiation of the bipartisan agreement made by Congress in 2015 (the FAST Act) and the historic 80/20 split for highways and transit funding.

- Funding levels for transit from 2015-2020 were agreed to during long deliberations in Congress on a new long-term transportation law. *And those legislators agreed: Our federal transportation system is multimodal.*
- Maintaining the historic 80/20 split of highways and transit funding is contingent on full funding for the discretionary programs like New Starts and Small Starts.

State DOT heads have supported the continued precedent of gas tax dollars supporting public transportation.

- When the House tried to eliminate all federal transit funding in 2012, the association of state DOT directors opposed it. *“AASHTO has long supported the principle that 20 percent of the gas tax revenues that have been put in place since 1982 be allocated to a dedicated mass transit account. We believe that the two complementary accounts need to be maintained in order to support a well-funded, multimodal transportation system,”* they wrote.

Americans depend on public transportation each day.

- Any cut to federal transit funding will cause pain and hardship for the millions of Americans who use transit each day.
- 10.6 billion trips were taken on transit in 2015. Over the past 20 years, ridership has risen 39 percent, far outpacing the 21 percent increase in population during the same period.
- More than ever, Americans need an affordable, reliable way to get to work and employers depend on transit for a reliable workforce.

Local voters are already putting their money where their mouth is and paying their fair share.

- Continuing a trend that's been going on for more than a decade, local voters across the country back in November approved over 70 percent of ballot measures that raise new local money for transportation improvements.
- A steady 71 percent of these measures have passed since 2000. In late 2016, more than \$200 billion was approved in local funding at the ballot box, including many smaller metro areas like Raleigh, NC and Indianapolis, IN.

Local communities are counting on the feds to continue being a reliable partner; ready-to-go projects would be threatened.

- For example, Indianapolis taxpayers just voted in November to raise their own **income taxes** to improve their region's mediocre bus service and build their first bus-rapid transit line (BRT).
- They did so believing that their tax dollars would be paired with a \$74 million commitment from USDOT for the \$96 million BRT project – funds that are now threatened, even though local voters have their own skin in the game.

Public transportation is driving economic development in cities of all sizes.

- Talent drives economies and place draws talent. Good transit is a legitimate draw for talent and is becoming a crucial economic development tool in today's competitive climate.
- Smart Growth America's Core Values report examined more than 500 companies that picked up and moved between 2010 and 2015 to downtown locations, often because of good transit connections.
- For example, State Farm is closing smaller suburban offices in favor of larger locations near transit in at least three regions, moving more than 16,000 of their employees to central locations near high-quality public transportation.

Local transit agencies depend on federal dollars to make capital improvements.

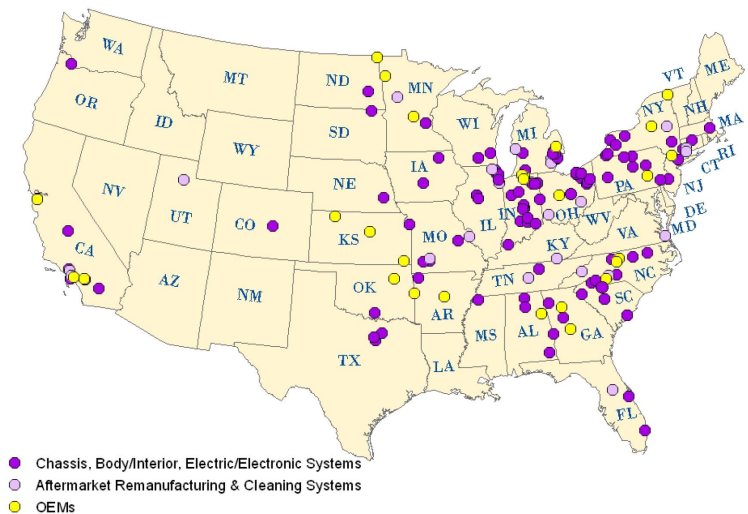
- Transit agencies depend on federal dollars for their capital needs, like buying new buses, new trainsets or railcars, and expanding their service. And then they use local, state or farebox dollars to operate their systems.
- More than 40 percent of America's buses and 25 percent of our rail transit assets are in marginal or poor condition.
- USDOT identified a backlog of \$90 billion in capital investments needed to bring bus and rail systems just into a state of good repair. Any cut to formula funds (or the outright elimination of it) would have a catastrophic effect on service that riders depend on.

Transit isn't just a big city thing – it's crucial in rural areas, and it's often a lifeline service.

- Because only smaller areas under 200,000 in population can use their federal transit funding for operating their systems, the transit systems in these smaller areas are using federal money not only to buy new buses, but more often than not, to run those buses as well.
- Seventeen less-urbanized states receive 40 percent or more of their transit funding from the federal government.
- The federal program is critical to their survival, and essential to the people who depend on it daily to get them to the doctor or the grocery store.

Smaller areas enjoy many of the spillover jobs from transit construction

- The domestic supply chain for domestic buses, for example, ([pictured at right from a 2010 Duke University study](#)) touches scores of places that may lack robust transit service.
- Buying new buses for big coastal cities supports jobs in faraway places. Whether they manufacture engine components, seats, windows, or the buses themselves, these places would feel the pain if new bus orders were slashed overnight, and many are in more rural areas or struggling Rust Belt communities where every job is precious.



STATE AND LOCAL FIGURES

The first table below has specific numbers for transit funding by state. *One important note:* These funding levels are 2017 numbers based on the budget deal passed in May 2017. The first column is the formula grants paid out of the highway trust fund with gas tax revenues, and the second two columns are the discretionary Capital Investment Grants transit program (New Starts/Small Starts/Core Capacity).

The second table has a list of urbanized areas within these states with A) ready-to-go transit projects with federal funding agreements – projects that have raised local or state dollars and are literally waiting for a federal appropriation to begin construction, and/or, B) projects that have entered the federal pipeline for new transit capital construction and are either doing preliminary engineering or project development as they move through the federal approvals process for transit projects.

Transit formula and discretionary funding, by state

State	FY 2017 Transit formula grants	Transit capital construction projects with full funding grant agreements (FFGA)	New transit capital construction - in the pipeline
Alabama	\$54,355,578		
Alaska	\$51,857,345		
Arizona	\$117,869,010		\$546,780,000
Arkansas	\$32,293,458		
California	\$1,350,480,828	\$3,614,756,085	\$4,767,490,000
Colorado	\$117,934,724	\$63,262,585	
Connecticut	\$171,414,083		
Delaware	\$24,989,322		
DC	\$204,522,681		
Florida	\$376,278,133		\$ 155,270,000
Georgia	\$190,959,430		
Hawaii	\$42,557,395		
Idaho	\$24,278,430		
Illinois	\$579,832,497	\$665,476,132	
Indiana	\$89,021,413		\$483,389,999
Iowa	\$40,714,880		
Kansas	\$34,435,259		
Kentucky	\$53,377,009		
Louisiana	\$62,756,178		\$85,000,000
Maine	\$31,320,553		
Maryland	\$245,329,480		\$572,000,000
Massachusetts	\$369,610,378	\$596,121,000	
Michigan	\$133,591,521		\$97,820,000
Minnesota	\$109,927,524		\$1,775,605,000
Mississippi	\$29,128,403		
Missouri	\$100,281,875		
Montana	\$21,011,684		
Nebraska	\$25,399,693		
Nevada	\$60,868,339		\$38,900,000
New Hampshire	\$16,624,732		
New Jersey	\$594,874,648		\$6,651,250,000
New Mexico	\$50,019,160		\$25,040,000
New York	\$1,461,035,861		\$7,931,940,000
North Carolina	\$122,642,121	\$74,234,588	\$1,315,550,000
North Dakota	\$14,599,644		

Ohio	\$185,936,433		
Oklahoma	\$48,887,896		
Oregon	\$106,871,203	\$165,664,144	\$75,000,000
Pennsylvania	\$420,481,210		\$100,000,000
Rhode Island	\$38,106,614		
South Carolina	\$49,131,953		
South Dakota	\$16,344,225		
Tennessee	\$88,387,461		
Texas	\$430,147,113	\$245,390,221	\$363,790,403
Utah	\$78,083,779		
Vermont	\$9,331,585		
Virginia	\$164,058,962		\$60,000,000
Washington	\$250,558,330		\$1,993,348,284
West Virginia	\$25,794,987		
Wisconsin	\$83,399,792		\$21,500,000
Wyoming	\$11,805,935		

Transit projects currently in the federal capital construction program

Urbanized area	State	New transit capital construction projects with full funding grant agreements (FFGA)	New transit capital construction – projects in the pipeline
Phoenix-Mesa	AZ		\$530,330,000
Flagstaff	AZ		\$16,450,000
Los Angeles-Long Beach-Anaheim	CA	\$2,126,900,000	\$1,273,960,000
Riverside-San Bernardino	CA		\$131,000,000
San Diego	CA	\$893,380,000	
San Jose	CA	\$571,457,984	\$2,390,000,000
San Francisco-Oakland	CA	\$23,018,101	\$922,530,000
Sacramento	CA		\$50,000,000
Denver-Aurora	CO	\$63,262,585	
Washington	DC-MD-VA		\$632,000,000
Jacksonville	FL		\$37,970,000
Orlando	FL		\$109,300,000
St. Petersburg	FL		\$8,000,000
Chicago	IL-IN	\$665,476,132	\$388,400,000
Indianapolis	IN		\$94,989,999
Baton Rouge	LA		\$85,000,000

Boston	MA	\$596,121,000	
Minneapolis-St. Paul	MN		\$1,755,605,000
Lansing	MI		\$97,820,000
Charlotte	NC	\$74,234,588	
Raleigh-Durham-Chapel Hill	NC		\$1,315,550,000
Albuquerque	NM		\$25,040,000
New York-Newark	NY-NJ		\$14,521,690,000
Reno	NV		\$38,900,000
Albany-Schenectady	NY		\$61,500,000
Portland	OR	\$165,664,144	\$75,000,000
Pittsburgh	PA		\$100,000,000
Dallas-Fort Worth-Arlington	TX	\$245,390,221	\$335,570,503
El Paso	TX		\$28,220,000
Seattle	WA		\$1,957,348,284
Spokane	WA		\$36,000,000
Milwaukee	WI		\$21,500,000