TWELVE INNOVATIONS IN TRANSPORTATION POLICY STATES SHOULD CONSIDER IN 2016

Transportation for America

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Transportation for America is an alliance of elected, business and civic leaders from communities across the country, united to ensure that states and the federal government step up to invest in smart, homegrown, locally-driven transportation solutions — because these are the investments that hold the key to our future economic prosperity. t4america.org

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Transportation for America

INTRODUCTION

To remain economically competitive, states must invest in infrastructure. States are also well positioned to be incubators of innovative transportation policy and funding solutions. Recent history shows willingness by state legislatures — regardless of political party — to step up and provide the necessary resources to invest in transportation systems. With 12 states successfully taking action in 2015, last year had the largest number of increases in state transportation funding since Transportation for America began tracking this phenomenon several years ago.

Why the focus on state transportation funding and policy?

Congress wrapped action on a five-year transportation authorization (The FAST Act) at the end of 2015. The FAST Act provides greater fiscal certainty for transportation from the federal government than states have had in a decade, though it does not significantly increase funding. On policy, it fails to advance true innovation and game-changing infrastructure solutions, largely continuing the policies of its predecessor from 2012, MAP-21.

Considering all this and the fact that the federal program is still largely a block grant given to and controlled by the states, state leadership on transportation issues will be more important than ever in the years to come. State-level reform will be essential for advancing creative and innovative transportation funding and policy reforms to make the most of limited infrastructure dollars.

Similar to Congress's action in 2015, most of the 23 states which increased their own transportation funding sources since 2012 have failed to update the underlying policies governing the spending of those new funds. The distribution formulas for those funds are often relics of decades-old priorities that are out-of-touch with the new needs of increasingly diverse economies and demographics.

But there have been encouraging steps taken in recent years by many states — including a few highlighted in this report — to raise funding and line up their policies with their states' needs today and into the future, suggesting hope for more of the same in 2016.

A note on state funding

Many states rely on static, cents-per-gallon gas taxes, often unchanged for decades, to fund their transportation systems. The value of those funding sources for transportation has subsequently eroded. Transportation for America has closely followed recent efforts in legislatures across the country to raise new transportation funding to fill those gaps, but this report focuses largely on policy. For a close examination of the successful stories of six states and the seven noteworthy strategies and factors T4America determined to be keys to those successful funding campaigns, refer to our first Capital Ideas report from early 2015.
http://bit.ly/joinT4Astatenetwork

SINCE 2012
TWENTY-THREE
STATES
HAVE APPROVED
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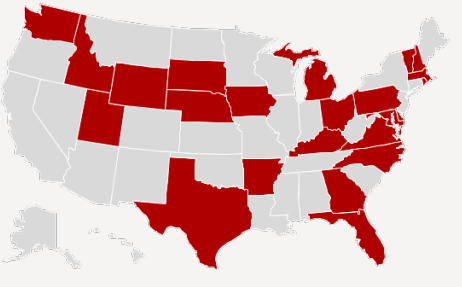
TRANSPORTATION
REVENUES



WHY SMARTER STATE TRANSPORTATION POLICIES ARE VITAL

State legislators have a critical choice ahead of them: continue pumping scarce dollars into a complex and opaque system designed to spend funds based more on politics than needs, or, following the lead of the states highlighted below, revise their policies to expand transparency and accountability, boost state and local economies, invest in innovation across the state, save the state money and improve safety for the traveling public.

This report outlines 12 transportation policy solutions either passed legislatively or instituted through administrative action in states, many of which are being pursued by Transportation for America's START Network members and other key policymakers in 2016. These dozen policy proposals are grouped under the following goals:

Increase accountability and transparency to build taxpayer confidence

Proposal #1: Improve accountability by measuring performance
Proposal #2: Measure outcomes important to taxpayers

Make states economically competitive and empower locals to do the same

Proposal #3: Ease constitutional and statutory restrictions on funding
Proposal #4: Reform outdated funding formulas
Proposal #5: Direct more funding to local communities
Proposal #6: Enable local transportation taxing authority

Invest in innovation and reward the smartest projects

Proposal #7: Award funds competitively to the best multimodal projects
Proposal #8: Promote transportation demand management
Proposal #9: Encourage tolling to manage traffic demand and deliver options

Maximize savings through better project development

Proposal #10: Save money by right-sizing projects and utilizing practical design

Improve safety through better street design

Proposal #11: Incentivize communities to implement complete streets policies
Proposal #12: Adopt more flexible street design standards

THE START NETWORK

Transportation for America supports efforts to produce and pass state legislation to increase transportation funding, advance innovation and policy reform, empower local leaders and ensure accountability and transparency. We offer unique, easily accessible resources that arm decision makers and advocates with template policies, research and case studies from leaders nationwide. Join the network: http://bit.ly/joinT4Astatenetwork

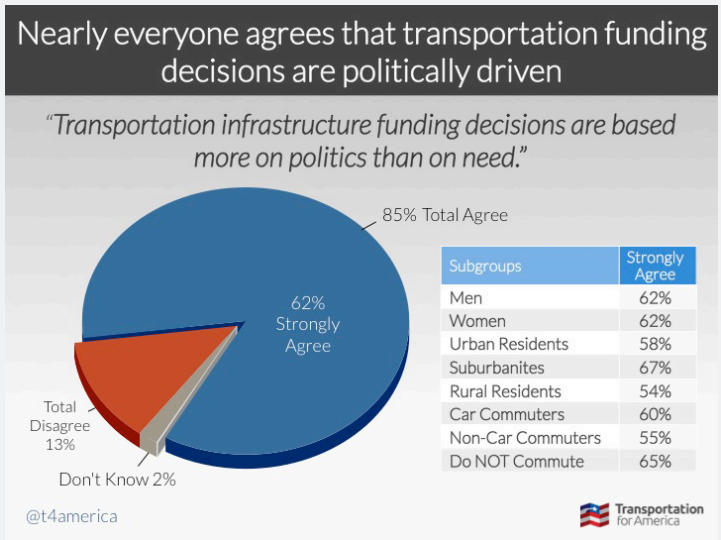
STATE
TRANSPORTATION ADVOCACY, RESEARCH & TRAINING

A project of Transportation for America

GOAL: INCREASE ACCOUNTABILITY & TRANSPARENCY TO BUILD TAXPAYER CONFIDENCE

Transportation funds are stretched at all levels of government, forcing transportation stakeholders to go 'hat in hand' to ask elected officials to raise revenue or cut other programs in order to provide more dollars for aging transportation systems.

Rightfully so, legislators and taxpayers want to know what they get for their current investment, let alone whether any new funds would be spent wisely in helping their commutes, their pocketbooks, the larger economy and their community's quality of life. Unfortunately, most transportation agencies rarely spend any time answering those bigger questions from the public, and instead focus on advancing specific transportation projects as an end unto itself, ultimately failing to make a compelling case to their ultimate customers: the taxpayers.



Subgroups	Strongly Agree
Men	62%
Women	62%
Urban Residents	58%
Suburbanites	67%
Rural Residents	54%
Car Commuters	60%
Non-Car Commuters	55%
Do NOT Commute	65%

Data from a July 2009 Greenberg/Public Opinion Strategies Poll

And taxpayers (and legislators) may respond with general skepticism about the need for more money to invest in transportation.

Further compounding that rightful skepticism is the ways in which many state DOTs decide how their scarce resources will be invested. When reviewing the lists of projects states hope to fund and build (a list typically known as the State Transportation Improvement Program), transportation experts and residents alike often can't ascertain why a project is receiving funds, why other projects didn't 'make the cut', or how any given project will help achieve broader, measurable goals for the state like improving access to jobs and strengthening the economy.

Arkansas STIP FY 2013-2016

100X01	Craighead	226	Cash Bypass - Hwy. 49 (S)	Major Widening	6.88	55,000	- TOTAL	State	State	JATS	2014
						44,000	- STP				
						11,000	- State Match				
BB1003	Mississippi	055	Hwy. 181-Hwy. 158 (F)	Rehabilitation	7.90	31,600	- TOTAL	State	State		2013
						31,600	- Bond				
BB1006	Mississippi	055	No. of Hwy. 18-Missouri St. Line (S)	Rehabilitation	4.22	17,390	- TOTAL	State	State		2015
						17,390	- Bond				
012145	Faulk & Pulaski	040	Palarm Creek-Hwy. 365 (Widening) (F)	Major Widening	4.31	18,200	- TOTAL	State	State	CARTS	2013
						4,560	- STP				
						10,000	- CMAQ FLEX				
						3,640	- State Match				
Funding Breakdown: District 6 - $17.0 M / District 8 - $1.2 M.											
012153	Benton & Wash	265	Eastern North-South Corridor (Phase I) (S)	Connectivity & Capacity Impvts.	1.00	5,000	- TOTAL	State	State	NARTS	2013

These projects on Arkansas' STIP are selected to receive funding for construction. Can anyone tell from this page why the Cash Bypass deserves $55 million in taxpayer funds? Important though it may be, the lack of a project description or the expected benefits received from this large investment would lead any taxpayer to question Cash Bypass' return-on-investment benefit. From the Arkansas FY 2013-2016 STIP, page 97. https://www.arkansashighways.com/stip/2013-2016/STIP_2013_2016_final.pdf.

The opaque process that most states use to plan their transportation investments leads many taxpayers to believe that their transportation investments are based on politics rather than merit, providing little credibility for legislators and state DOTs to ask taxpayers to pay more for transportation investments.

PROPOSAL #1: IMPROVE ACCOUNTABILITY BY MEASURING PERFORMANCE

There are powerful examples of states that are changing this opaque process by instituting a focus on performance and accountability in order to provide greater certainty that projects are selected based on merit and meaningful outcomes rather than politics. Providing more certainty and increasing accountability and transparency in the process help to build taxpayer confidence, which is crucial for any effort to raise future revenue for transportation.

Virginia, with HB 2 of 2014, and Massachusetts with H3535 in 2013, have led the charge to reform their processes to a performance based project selection process, and their efforts are a useful road map for other states hoping to do the same.

Under Virginia's HB 2, all capital construction and capacity projects will be measured against the state's priorities, specified by the legislature, which include safety, congestion mitigation, accessibility, environmental quality, economic development, and land use — rather than political whims. The scoring is made public and transparent, giving taxpayers a way to see how and why projects were selected.

As part of a 2013 deal to raise new revenue for transportation, the Massachusetts legislature required the DOT to develop and use performance-based criteria in the state's transportation investment decisions. The criteria Massachusetts is now using to measure anticipated outcomes for transportation projects include eight broad policy priorities: 1) system preservation; 2) mobility; 3) cost effectiveness; 4) economic impact; 5) safety; 6) social equity and fairness; 7) environmental and health effects; and 8) local and regional policy support.

Virginia has just released its first project prioritization list based on the performance measures, and Massachusetts is working to finalize its measures. Many other states are either taking initial steps of their own or looking to follow Virginia's and Massachusetts' lead, including Louisiana, Maryland, Michigan, Minnesota and Oregon.

PROPOSAL #2: MEASURE PROJECT OUTCOMES IMPORTANT TO TAXPAYERS

In many jurisdictions, success is too narrowly measured and defined, resulting in solutions designed for a singular location with limited concern for the entire system's benefit. It's important to take a broader view of what constitutes success and how it's measured.

The area measured most consistently throughout the history of the transportation program is traffic flow.

Using level of service (LOS) standards, transportation engineers measure current and projected conditions for vehicles, and use those ratings to define the scope or design of a project. Because this limited measure accounts only for the movement of vehicles, in the case of roads and intersections with vehicle delay exceeding engineering standards, it requires transportation agencies to expand roads as a one-size-fits-all solution. As a result, other solutions are ignored, infill development to make use of existing infrastructure is discouraged, and the benefits of building infrastructure for public transportation, bicycles and pedestrians are neglected.

California's DOT, advocates and elected officials have long cited these level of service standards as inadequate and far too narrow for making necessary multimodal transportation decisions. The state uses LOS standards for environmental quality assessments for transportation projects. An unintended consequence of using LOS for these environmental assessments is that roads determined to have excessive vehicle delay require expensive capacity expansions for new development, which negatively impact the environment, public health and the bottom line.

In 2013, the state legislature passed SB 743, requiring the state Office of Planning and Research to develop an alternative to LOS standard requirements for environmental assessments for transportation projects. The new alternative must "promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses" for areas served with public transportation. The Office of Planning and Research is currently reviewing planning processes to remove LOS standards and is working with stakeholders to develop alternative measures to improve transportation project development for multimodal solutions, and may include vehicle miles traveled, vehicle miles traveled per capita, automobile trip generation rates or automobile trips generated.

GOAL: MAKE STATES ECONOMICALLY COMPETITIVE; EMPOWER LOCALS TO DO THE SAME

Improving a state or region's economic competitiveness is one of the primary reasons for investing in transportation. Goods and people have to move, and the smoothness with which they move is fundamental to a prosperous economy. The investments needed to best position a state or community for long-term success have changed dramatically over the last few years. The formulas and mechanisms that determine where money goes and how it gets spent need to change to keep up with a different time than when those formulas were created.

Local communities need the flexibility to invest in the best projects that will help them succeed, regardless of what particular transportation option fits the bill. After all, local governments are best able to prioritize and plan for a community's specific needs, and also have authority over land use and development decisions.

Even though local governments own and manage the majority of all roads, bridges and public transportation systems in the country, state agencies regularly diminish the role local stakeholders play in the policy development and project selection process and some restrict local governments' ability to raise local dollars for their transportation priorities.

The state DOT is often the policy and project decision-maker in both rural and urban areas of the state. In too many cases, DOTs appear inflexible in working with local interests, while prioritizing the movement of vehicles over state-owned roadways at all expense. This outsized authority frequently places the DOT at odds with local priorities of creating safer, more economically thriving, complete streets. It's important — and politically practical — for states to recognize the significance of local stakeholders as equal partners in maintaining and building the transportation system. Local elected and civic leaders should be powerful allies for state legislators, and leveraging those partnerships makes political — and practical — sense.

PROPOSAL #3: EASE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON FUNDING

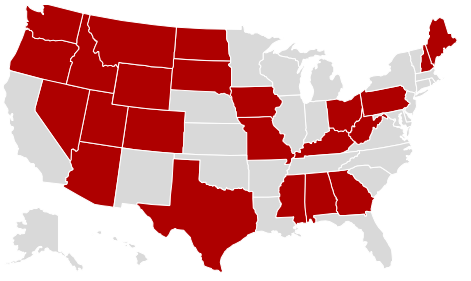
Twenty-three states have out-of-date constitutions that impede economically important public transportation projects by restricting all or most state transportation-generated funding to roadway projects. Preventing state resources from funding public transportation can severely hamstring the economic competitiveness of a state's metropolitan areas, where transit is becoming a fundamental requirement to be competitive for talent and job attraction, and is vital for connecting employees to jobs and easing roadway congestion.

Colorado, directly witnessing the massive benefits of Denver expanding its public transportation system over the past decade, has taken some strides to ease its restrictions on spending state funds on public transportation through statutory changes.

In 2013 the state legislature passed SB 13-048, which declared:

> *The general assembly further finds and declares that the funding of transit-related projects constitutes maintenance and supervision of public highways because it will help to reduce traffic and thereby reduce wear and tear on public highways and bridges and increase their reliability, safety, efficient performance, and expected useful life.*

The bill permits state transportation-generated funds directed to counties and local governments to be invested in public transportation, bicycle and pedestrian projects. There is no limit on the percentage that can be spent for capital purposes; there is a limit that no more than 15 percent may be spent on transit operations.



23 STATES HAVE CONSTITUTIONAL RESTRICTIONS BARRING GAS TAX REVENUES FROM SUPPORTING PUBLIC TRANSPORTATION

Data from National Conference of State Legislatures and AASHTO Center for Excellence in Project Finance. http://www.transportation-finance.org/pdf/50_State_Review_State_Legislatures_Departments_Transportation.pdf And the Council of State Governments Knowledge Center. "Transportation Trust Funds and Lockbox Protections." http://knowledgecenter.csg.org/kc/content/transportation-trust-funds-and-lockbox-protections

While that statutory change helps Colorado get to their desired outcome, states should consider providing true flexibility by allowing all transportation revenues to go to the best projects, regardless of transportation option. A constitutional change is a tough road to travel, but it may be the solution in many states.

PROPOSAL #4: REFORM OUTDATED DISTRIBUTION FORMULAS

States often use complex funding formulas — sometimes drawn up decades ago — to determine where and how incoming revenues are directed to various modes of transportation, to geographic areas, or to other entities.

Following their 2012 package to raise new transportation funding, Virginia went a step further and reformed its funding distribution formulas in 2015. HB 1887 reformed the confusing, outdated and complicated funding formulas that determined how money is distributed, and supports the state's move to award more funds competitively.

Under the new formula, 45 percent of all funds will be reserved for maintenance and repair. The remaining 55 percent will be split evenly between priority state projects picked through a new, performance-based ranking process established by 2014's HB2; and priority local projects selected through regional competitions. The 55 percent reserved for the new project selection process is eligible to a broad range of projects, including roadway, public transportation, rail, operational improvements and transportation demand management projects and strategies.

A more detailed story of Virginia's funding legislation and subsequent reforms to the project selection process mentioned here can be found in our second Capital Ideas report from December 2015.

t4america.org/maps-tools/state-transportation-funding/capital-ideas-2/

Additionally, HB1887 shifts $40 million annually to public transportation projects from highway, aviation and ports, upping the commonwealth's commitment to meeting the growing demand for public transit.

PROPOSAL #5: DIRECT MORE FUNDING TO LOCAL COMMUNITIES

Every state is required by federal law (Title 23 U.S. Code §134) to partner with urban and mid-size regions through entities known as metropolitan planning organizations (MPOs). These MPOs manage the planning, coordination, and administration of federal, state, and local funds that enhance the region's transportation network for areas greater than 50,000 people. The theory of providing authority over federal funds for metropolitan regions is to move decision-making closer to taxpayers and ensure that their local priority projects receive funding, but reality is often far different.

In practice, due to the fact that state DOTs control the final list of projects that can receive federal funds (the Statewide Transportation Improvement Program or STIP), the state DOT can exert powerful influence to dictate how regional funds will be spent. Local communities need more control over and access to transportation funds than they currently possess.

Recognizing that the best decisions are often made by the level of government closest to the people, California reformed their transportation program in 1997 with the passage of SB 45. This bill preserved 25 percent of the state's capital construction dollars for the State DOT (CalTrans) and directed the remaining 75 percent to local regions — giving them authority to determine how the funds would be spent. The bill also provided regional decision makers great autonomy in their planning and project selection process by requiring the statewide California Transportation Commission (CTC) to adopt all regional project lists into the STIP or reject all regional projects outright. This authority is not found in federal statute but is a step to which states are entitled.

CalTrans, with its capital construction dollars, focuses on maintaining the transportation infrastructure that connects the regions, while the funding directed to metropolitan regions provides them great authority over the regional transportation system's development. California's move to give funding and authority to metropolitan regions continues to be an important step to allowing regions to implement and effectively coordinate land use and transportation.

PROPOSAL #6: ENABLE LOCAL COMMUNITIES TO RAISE THEIR OWN FUNDING

Many transportation projects — especially the larger ones — typically require almost all levels of government to participate, requiring multiple stakeholders to combine a number of funding and financing sources. However, far too many states restrict the ability for locals to tax themselves to raise their own funds to support federal and state money, making it a challenge to put together the diverse funding streams required for many of these projects.

Without the ability to raise local funding, it's also a challenge for local leaders to effectively compete for federal and state grant programs such as TIGER or New Starts that require matching funds. Debts have to be repaid and federal programs reward applicants with a strong local financial commitment.

Local communities want and need to put their own skin in the game, and states should enable them to do so. In recent years, a few state legislatures have moved to provide additional authority to raise new funding to local governments. In 2014, Indiana passed SB 16, which will allow six counties in the Indianapolis region to increase local income tax rates by between 0.1 percent and 0.25 percent and dedicate these additional revenues to public transportation. Governor Mike Pence understands full well the benefits of unleashing local investments in transportation:

> *"I am a firm believer in local control and the collective wisdom of the people of Indiana. Decisions on economic development and quality of life are best made at the local level. Whether local business tax reform or mass transit, I trust local leaders and residents to make the right decisions for their communities."*

Local voters will decide the fate of these tax increases via county voter referenda. SB 16 contains a provision to allow adjoining municipalities (i.e., cities and towns) to increase taxes and join the transit district by local referendum if the countywide vote in their county fails. The legislation also mandates that 25 percent of the transit system's revenue be generated from fares and 10 percent of revenue is supported by business contributions through a non-profit organization. The law also prohibits funding from being used for any rail transit projects.

As part of Utah's transportation funding package (HB 362) passed in 2015, counties were granted local option sales tax authority for multimodal investments in roads, transit, biking and walking infrastructure or almost any pressing local need — an option that will now be permanent, whether counties approved the tax or not in 2015. Of the 17 counties that chose to put measures on the November 2015 ballot, 10 were successful and will raise millions in new, flexible revenue that can be invested in local needs. Thanks to strong legislative support for public transportation funding, in counties with existing public transportation systems 40 percent of new sales tax revenue will go directly to transit. Those counties may see immediate improvements in service or planned expansions moving ahead.

Utah was one of three states profiled in our second Capital Ideas report which analyzed 2015's progress in state transportation funding, published in December 2015. Download and read that detailed story: http://t4america.org/maps-tools/state-transportation-funding/capital-ideas-2/

GOAL: INVEST IN INNOVATION AND REWARD THE SMARTEST PROJECTS

The transportation projects we choose to fund with our limited dollars need to accomplish multiple goals at once and promise the strongest return on investment possible. It's no longer advisable — at any level — to invest our dollars in projects that do anything less.

The transportation sector is ripe for innovation, and several states are leading the way on new approaches to awarding funds to the best projects measured on the merits and finding ways to wring every possible bit of value out of our existing infrastructure through low-cost methods to better manage demand or toll limited roadway capacity.

PROPOSAL #7: AWARD FUNDS COMPETITIVELY TO THE BEST MULTIMODAL PROJECTS

As highlighted in previous sections, the majority of federal and state transportation funds are doled out via formula regardless of an agency's past performance. The benefits that potential projects might bring have no bearing on whether or not they receive funding. Will a dollar spent here reduce congestion or improve safety more than a dollar spent over there? Questions like these are rarely part of the process of awarding transportation funds.

A multimodal competitive transportation fund encourages and rewards transportation agencies for planning more cost-effective projects and measuring the potential benefits. Multimodal competitive grant programs award funding based on the project's ability achieve a broad set of goals. Using broad criteria such as return on investment, level of non-governmental financing, or improved access to jobs, a project selection committee assesses the competing applications to determine which projects score the highest and will receive funding. Innovation is rewarded and is often required for beating the competition and winning funds.

There are notable examples to emulate. The federal Transportation Investment Generating Economic Recovery (TIGER), Pennsylvania's Multimodal Transportation Fund and Oregon's ConnectOregon programs all have proven track records of success.

ConnectOregon was established in 2005 to provide funding for multimodal, non-highway transportation projects, partially because the state's constitution bars transportation-generated funds from going to non-roadway uses. The state legislature recognized the importance of having a system that provides a range of transportation options and uses this competitive program to meet that goal. The state has successfully awarded five rounds of ConnectOregon funding, with requests for funding from project applicants exceeding available funds by nearly 2.5 times the amount available. On the whole, each dollar competitively awarded to the 240 projects selected has been accompanied by 1.6 dollars from private and other public sources, a ratio that far exceeds typical formula programs as well as the 30 percent cash match required for applicants to receive funds under this program.

This trend isn't ending anytime soon. In fact, the sixth round of ConnectOregon applications has been received by the Oregon DOT (ODOT) and for the $45 million available the state received 78 applications from local communities and others requesting more than double the amount available.

The Pennsylvania legislature recognized the importance of getting local communities' support for Act 89, the billion-dollar transportation funding bill in 2013. As one way to bolster local support, legislators created the Multimodal Transportation Fund to award funding on a competitive basis to local roadway, aviation, freight rail, passenger rail, ports and waterways, and bicycle and pedestrian projects in communities across the state. When the expected transportation revenue fully ramps up in the coming years, this fund will provide more than $250 million per year to local communities and private entities to complete economically important multimodal transportation projects, regardless of the type of project.

In its first year, Pennsylvania awarded 86 projects in 35 counties with $84 million in total funding. The state is currently reviewing applications for the second round of awards for this important program.

Oregon's ConnectOregon and Pennsylvania's Multimodal Transportation Fund are the most oversubscribed programs offered by these state transportation agencies. This fact encourages applicants to find the lowest cost solution and maximize non-government private funds to support the project. Both support taxpayers in getting the strongest returns for their investments.

PROPOSAL #8: ALLEVIATE CONGESTION THROUGH LOW-COST TRANSPORTATION DEMAND MANAGEMENT

Even if it were physically possible, no region or state has the financial resources to build their way out of the crippling traffic congestion that many places experience. No matter what new investments are planned, we need to more efficiently use our existing infrastructure assets. That's where transportation demand management has proven to be a powerful solution.

Transportation demand management uses carrots (incentives) and sticks (penalties) to reduce solo driving — the most inefficient use of limited roadway spaces. Demand management includes employee transit pass programs, vanpools, Wi-Fi-enabled motor coach services, last mile shuttle buses from public transportation stations, payroll subsidies and more. Many regions and large employers have developed transportation management associations (TMAs) to provide employees with information on travel alternatives and expand the options available with the goal of making commuting more convenient, reducing congestion and greenhouse gas emissions, improving mobility and the productivity of the workforce, and saving employers money by avoiding costly parking facility costs.[1]

Washington's Commute Trip Reductions program is a model for other states to use. Enacted in 1991 and updated in 2006, the program requires employers with more than 100 employees at a single worksite in densely populated areas "to implement programs to reduce single-occupant vehicle commuting by employees

1 Read the detailed story of a company using a range of incentives to encourage their employees to reduce solo driving commute trips in Chicago in this T4America profile: http://t4america.org/maps-tools/local-successes/chicago-burke-engineering/

at major worksites." Washington DOT (WSDOT) provides technical assistance to employers and local governments, but employers are provided flexibility in developing their unique company plans and programs that adhere to local goals for the program.

The Commute Trip Reduction program works with more 1,050 worksites and 530,000 employees. From 2007 to 2012, the program reduced drive-alone trips for participants by three percent and vehicle miles traveled by participants fell by nearly five percent. The program receives about $3 million annually, but each dollar of that relatively small cost directly leverages 18 dollars in private funds, and brings other indirect benefits like reduced wear on the transportation system and avoided congestion.

PROPOSAL #9: ENCOURAGE TOLLING TO MANAGE TRAFFIC DEMAND AND DELIVER OPTIONS

Tolls are most often used to help finance the construction and reconstruction of our transportation system. However, tolls can (and should), when effectively delivered, support managing travel demand and traffic congestion to best use our limited road capacity and save states and municipalities money.

Variable tolls and high-occupancy vehicle (HOV) lanes on heavily traveled roads discourage drive-alone trips and help wring out extra capacity. However, robust public transportation options must also be present to ensure commuters have other options to travel the corridor and reach their destinations.

Colorado's FASTER Act of 2009 (SB 09-108) is an example for other states to follow to manage demand for tolled facilities. This bill enables tolling authorities to use toll revenues for public transportation projects, helping to provide more options for commuters. A 2014 executive order requires all future managed lane projects be reviewed for the inclusion of express bus or bus rapid transit service as well.

The model corridor benefiting from the FASTER Act's enabling legislation are the managed lanes on the US 36 corridor that connects Denver and Boulder, which opened at the beginning of 2016. Through a public private partnership using a design, build, finance, operate, and maintain (DBFOM) agreement, Colorado DOT, Denver RTD, and local governments have completed a new variable-rate tolled lane the length of the corridor, bus rapid transit service with new stations and park and ride facilities, and a commuter bikeway. The tolls will provide a portion of the financing for all three transportation options — automobile, public transportation and biking. And demand will be better managed by going beyond just tolling to providing users of the corridor with more travel options as a result.

Washington, too, is utilizing tolling as means to better manage their facilities and improve transportation options. 90 percent of the state's transportation congestion occurs in Seattle, according to WSDOT's annual Corridor Capacity Report. Starting in 2008 with the passage of a high occupancy toll lane pilot (RCW 47.56.403), the state has now implemented three tolling projects on SR 167, SR 520, and I-405. All three accommodate express bus service.

SR 167 opened in 2008 and is one of the nation's first high-occupancy toll (HOT) lane projects. The HOT lanes

use dynamic tolling to maintain travel speed, and carpools, vanpools and transit use the lane for free. In 2014, compared to the free general-purpose lanes, the northbound and southbound HOT lanes saved weekday drivers eight and six minutes respectively on the morning or evening commutes.

The variable toll lanes on SR 520 opened in 2011 with the goals of maintaining travel time, speed and to generate revenue to pay for a planned new SR 520 bridge and associated operating costs. In 2014 — aside from generating the revenue necessary for reconstructing this vital bridge — the express bus service on SR 520 carried the equivalent of 2.2 general purpose lanes of traffic during peak commute periods. Tolling, carpooling and public transportation reduced congestion on SR 167 and SR 520 by 24 percent and 71 percent in 2014 respectively, compared to 2007 pre-recession levels.

Witnessing the success of the early tolled lanes, in 2015 WSDOT opened the I-405 Express Toll Lanes. All three tolled projects are focused on managing travel demand and traffic congestion by providing multiple options for accessing daily destinations.

GOAL: MAXIMIZE SAVINGS THROUGH BETTER PROJECT DEVELOPMENT

Too many resources are wasted on overbuilt and costly road projects, due to faulty projections, reliance on outdated measures (like level of service), limited evaluation of past decisions and political interference. States can save money by examining the process of project development to ensure that projects bring the greatest possible benefits for the lowest possible costs. Whether state revenues increase or not, more state leaders are recognizing that they must maximize the investment from each and every dollar.

PROPOSAL #10: RIGHT-SIZE PROJECTS THROUGH PRACTICAL DESIGN

In response to a proposed project list that represented nine times the amount of funding available, Tennessee used administrative authority to audit its transportation program, remove projects no longer needed, and right-size many projects that remained. Right-sizing means that transportation projects are tailored to maximize return on investment — the lowest cost with the greatest possible benefit — while not compromising important factors such as safety, and being sensitive to the community that the road traverses.

In 2012, the Tennessee DOT (TDOT), in partnership with Smart Growth America, found that many transportation projects in its program could be redesigned to achieve 80-90 percent of benefits for as little as one-tenth of the initial proposed cost. After reviewing just the first five projects, TDOT found a cost savings of over $171 million through right-sizing the scope of work. In one project in Jackson County, TDOT was able to reduce the overall cost from an estimated $65 million to just $340,000 while still achieving the same safety and efficiency outcomes. As a result, TDOT has saved billions of dollars and stretched its limited resources even further (the state's 21.4 cent per gallon gas tax was last raised in 1993, and the state operates its transportation program on a pay-as-you-go basis).

The need for transportation revenue never ceases, but adequate focus from blue ribbon commissions and the like convened by governors and legislatures should include focus on reforms that improve returns on transportation investments; if not, this is a big missed opportunity.

Road Fix: What's next for West Virginia?

West Virginia's roads are deteriorating at a rate faster than the state can keep up with.

Just last week, Gov. Earl Ray Tomblin's Blue Ribbon Commission on Highways revealed its report that says it would take over $1 billion to maintain and improve West Virginia's roads.

No plan for shrinking Louisiana's $12 billion road backlog: Analysis

Louisiana has a backlog of more than $12 billion in needed road repairs, highway upgrades and bridge work.

The figure is staggering, and lawmakers regularly talk in distressed terms about its implications. But they've found no way to chip away at the lengthy list of projects.

Left: The State Journal, May 27, 2015
http://www.statejournal.com/story/29172655/road-fix-whats-next-for-west-virginia
Right: The Times-Picayune, December 1, 2013
http://www.nola.com/opinions/baton-rouge/index.ssf/2013/12/no_plan_for_shrinking_louisian.html

As part of its transportation funding package that passed the legislature in 2015 (SB 5987), Washington enshrined the practice of practical design into the Washington Department of Transportation's (WSDOT) modus operandi. Similar to right-sizing, practical design focuses on squeezing the greatest benefit from each dollar invested for the entire system and not just the project, while also working with stakeholders to ensure the project suits their needs.

SB 5987 increases Washington's gas tax by 11.9 cents per gallon over two years and increases other transportation fees. The bill also encourages WSDOT to be innovative in its project delivery by incentivizing practical design. Any and all savings accounted for by use of practical design and other innovative project delivery processes will be transferred to an account that will be accessible to the DOT starting in 2024 to use on preservation projects, to speed up existing projects or on new projects. This approach to better design holds WSDOT accountable for each dollar spent through better reporting and accounting practices while also incentivizing the widespread adoption of practical design; and the use of applicable savings for important future projects.

GOAL: IMPROVE SAFETY THROUGH BETTER STREET DESIGN

Too many roads are designed only for speeding cars or, worse, creeping traffic jams. As a result, we limit access and opportunity for Americans without a car and stifle the economic potential of in-demand mixed-use, multimodal communities. States should provide flexibility (and incentives) to ensure that streets are designed and built to be safer for all users and magnets for strong economic growth.

PROPOSAL #11: INCENTIVIZE COMMUNITIES TO IMPLEMENT COMPLETE STREETS POLICIES

A complete streets approach attempts to make a street safe, comfortable and convenient for all users, regardless of age, especially in communities where people live, work, and attend school.

Though 33 states had complete street policies on the books at the start of 2016, many of the states that have adopted these policies have witnessed slow implementation and adoption of complete street design principles — sidewalks, bike lanes, crosswalks, etc. — in the actual designs of new or reconstructed roadways.

The State of Massachusetts leads the country in supporting complete streets by establishing a funding program to encourage municipalities to regularly and routinely include complete streets design elements and infrastructure on locally-funded roads . This program, the first of its kind in the country, encourages municipalities to adopt complete streets policies, allocates $12.5 million for the first two years of the program, and plans to accept its first applications for funding early-2016. Funding source and amount beyond FY17 will be determined based on the success of the program.

The Massachusetts Department of Transportation (MassDOT) has adapted its policy and scoring guidance from the models provided by the National Complete Streets Coalition and Smart Growth America. The Complete Streets Funding Program includes two primary requirements that deem a municipality eligible for up to $50,000 for technical assistance, and up to $400,000 for construction funding. Those requirements are a) the passage of a complete streets policy that scores 80 or above (out of a possible 100 points), and b) the development of a Complete Streets Prioritization Plan that must include needs assessments, network gap analysis, investment strategy, procedures to incorporate complete street projects into routine road work and goals for non-auto commuting trips. Upon completion of these requirements, a municipality is eligible for complete street construction funds.

PROPOSAL #12: ADOPT MORE FLEXIBLE STREET DESIGN STANDARDS

Everyone, regardless of age, ability, income, race, or ethnicity, ought to have safe, comfortable, and convenient access to community destinations and public places — whether walking, driving, bicycling, or taking public transportation. A low hanging fruit available to many states is the adoption of design manuals that enable more livable communities through complete streets development.

The National Association of City Transportation Officials — a group made up of big-city transportation officials who understand the unique needs of streets in heavily urbanized areas — produced a ready-made, off-the-shelf multimodal design guide that states should endorse. NACTO's Urban Design Guide provides states a clear outline and tools for developing complete streets that are more inclusive for all users. USDOT has endorsed this guide, as have California, Colorado, Delaware, Georgia Massachusetts, Minnesota, Oregon, Tennessee, Utah, Virginia and Washington. (California, Colorado, Delaware, Georgia, Massachusetts, Oregon, Virginia and Washington also endorsed the companion Urban Bikeway Design Guide.

NACTO is producing a forthcoming Transit Streets Design Guide to provide advice for street designs that best serve public transportation, helping to complete their suite of design guides for our roads.

CONCLUSION

With the responsibility of the nation's transportation system in the hands of state leaders, it's important that they enact thoughtful and innovative transportation policy and funding packages to support the needs of their communities facing changing demographics and consumer demand.

The 12 policies in this report are intended to provide states tested and proven solutions to get the most from investments to provide a transportation system that strengthens the economy, connects all residents to opportunity and improves quality of life for everyone. Transportation for America will work with our START Network members and other stakeholders in 2016 to track transportation policies, provide peer learning and education and advance innovative transportation policy and funding solutions.