From key changes in Congress and state capitols to statewide and local ballot measures, Tuesday was a pivotal Election Day when it comes to transportation. I have some thoughts on the significance of this year’s batch of state and local ballot measures, a roundup of all the results, and links to information about the potential impact of the changes on Capitol Hill, in governor’s mansions and elsewhere. Plus, as always, news, links and new reports on MAP-21 reauthorization and the future of the Highway Trust Fund, state transportation funding activities, public-private partnerships and tolling, and state multi-modal strategies.

The Significance of 2014 Ballot Measures

Statewide transportation ballot measures considered on Tuesday included a measure in Massachusetts to eliminate automatic indexing of the state gas tax, measures in Maryland and Wisconsin to prevent transportation funds from being used to fill other budget holes, and a measure in Texas to devote some of the state’s rainy day fund to road improvements. A slew of cities and counties also considered measures aimed at funding transit systems and other projects.

Sean Kilcarr of Fleet Owner asked me about the ballot initiatives revolving around transportation are a sign that the public is now more engaged in finding ways to provide additional funding for transportation.

Not necessarily, I told him. I think city and county transportation ballot measures have always had a history of success in some states and that has largely been a factor of them being highly localized and project specific. If you can tell taxpayers what they are getting for their money in their community you have a greater chance of success than you do convincing the rural farmer to help subsidize public transit in the big city that he’ll never use.

It doesn’t always work. Sometimes the mix of projects isn’t quite right. Sometimes the measure isn’t localized enough. Atlanta voters rejected a local-option sales tax a couple of years ago. King County, Washington voters said no to a transit funding plan but the city of Seattle came back this fall with just about the same plan and it passed.

As for the statewide ballot measures this year, I think they were largely about things other than a realization among the public of the need for additional transportation funding.

The indexing mechanism in Massachusetts was an effort by the legislature to get at a problem that we’ve seen at the federal level where the gas tax hasn’t been raised since 1993 and so inflation has eaten away at the purchasing power as the cost of construction has gone up. The same has been true in many states where raising the gas tax has been a political non-starter for years. An indexing mechanism is a way for politicians to shield themselves and inoculate themselves and avoid taking those tough votes to raise taxes. So it will be interesting to see what happens the next time someone
suggests the tax needs to be raised and whether lawmakers will be more willing to do that. But I think that ballot measure to nix indexing was one way voters this year expressed that they at least want more transparency and accountability when it comes to state government and how transportation is funded going forward.

The success of the ‘lockbox’ efforts in Maryland and Wisconsin were another extension of that thinking. Voters want to believe that if they’re told they’re going to pay more in taxes to fund transportation, that money is actually going to transportation and that it won’t be raided to fund some other budget need. This also potentially helps policymakers in the future if they have to come back to their constituents and say “we need you to pay a little more.” Their constituents won’t be able to say “what happened to that money I gave you last time that you used for something else?” It may hamstring lawmakers come budget time if the transportation coffers are full and everything else is in the red. But I think there is a realization that there has been too much robbing Peter to pay Paul in some states and that it has contributed to the overall underinvestment in infrastructure in this country and in some cases hurt the credibility of state officials. So it’s likely we may see more of this kind of thing in the future if it makes sense for states.

As for indexing, we’ve been hearing in recent years from a variety of experts that one of the easiest things that states could do and that the federal government could do to raise revenues for transportation (at least in the near term) is to raise the gas tax and index it to a measure of inflation. I’m not sure the repeal of the indexing mechanism in Massachusetts will completely kill the chances for seeing more automatic indexing around the country but I’d say as a concept it’s probably on life support and states may be more hesitant to pass such measures in the future.

I think the Texas ballot measure to put some of their oil and gas revenues from the rainy day fund towards road improvements was kind of a no-brainer. It was also a “no-painer,” if you will, since it was just asking permission to move some existing funds around and it wasn’t asking taxpayers to pay anything more at this stage. Of course we already know that won’t come close to meeting the state’s transportation funding needs and that they will need to explore some other revenue options, which lawmakers are working on right now (see the item below for more). Because they’ve got to do something. There’s a growing backlash against toll roads around the big cities and Texas doesn’t have the money to fix the roads in the smaller communities where the oil boom has occurred.

Kilcarr also asked me whether I think all the ballot initiatives also mean there’s a growing recognition that states and localities need to take care of their problems directly and not seek as much help from the federal government.

I told him that while there is an understanding among states and localities that the federal government has become an unreliable partner in transportation in recent years and that short-term extensions and general fund transfers from Congress aren’t exactly giving them any certainty about investing, they aren’t willing to cut the cord just yet. Many states still rely on the federal government for a significant portion of their transportation funding (both formula funding and project assistance through programs like TIFIA and TIGER) and don’t want that to change. Whether it be ballot initiatives or major transportation funding packages like the ones we saw last year in states like Maryland, Massachusetts, Pennsylvania, Vermont, Virginia and Wyoming, states aren’t doing those with the idea in mind of replacing the federal commitment. They’re doing so to advance local projects, to take advantage of economic development opportunities, to move projects forward that they haven’t been able to get to for years, to do something other than fixing potholes and paying debt service on old projects, or for any number of other reasons.

So yes, states and localities are moving forward to address their transportation needs at the ballot box and in the legislature, but most would still like to have a strong federal partner going forward.
Statewide Transportation Ballot Initiative Results

- **Louisiana:** More than two-thirds of voters rejected a measure to create a state infrastructure bank, *The Times-Picayune reported.*
- **Maryland:** Voters approved Question 1, which bans diversions from the state’s Transportation Trust Fund without a fiscal emergency declaration from the governor and approval from a three-fifths supermajority of both chambers of the legislature, *The Baltimore Sun reported.*
- **Massachusetts:** State transportation officials say the decision by voters Tuesday to repeal the automatic gas indexing undercuts the 2013 transportation funding bill approved by lawmakers and will cost the commonwealth $1 billion in transportation revenue as well as the ability to borrow even more to fund future transportation projects, *The Boston Globe reported.*
- **Rhode Island:** Voters approved the state’s first ever statewide transit ballot measure, which authorizes the issuance of $35 million in bonds to invest in transit infrastructure and improve bus service around the state, including new and reworked transit hubs, *Transportation for America reported.*
- **Texas:** Eighty percent of voters supported Proposition 1, which will divert half of the state’s oil and gas tax revenue that now goes into the state’s rainy day fund towards road improvements, *Governing reported.*
- **Wisconsin:** By a 4-to-1 margin, voters approved a constitutional amendment to prevent governors and legislators from using the state transportation fund for uses other than transportation and to establish the state department of transportation in the constitution (the department and the transportation fund currently exist in statute only), *The Milwaukee Journal Sentinel reported.*

City & County Transportation Ballot Measure Results

- **Alameda County, CA:** Supporters appeared to have the two-thirds vote needed to approve a $7.8 billion transportation tax, a 30-year measure that would extend an existing half-cent sales tax and tack on another half cent, *The San Francisco Chronicle reported.*
- **San Francisco, CA:** Voters supported Proposition A, a $500 million bond measure to be used to redesign streets, add more bike and transit-only lanes, update traffic signals, improve maintenance facilities and add new elevators and escalators at Metro stations, *The San Francisco Chronicle reported.* A nonbinding declaration of policy that would protect the interests of drivers failed.
- **Monterey County, CA:** A 1/8 cent sales tax for Monterey Salinas Transit was approved by nearly 3-to-1.
- **San Bruno, CA:** A measure to lift the building height restriction around the Caltrain station was passed.
- **Alachua County, FL:** Voters rejected a one-cent sales tax that would have raised a projected $240 million over eight years for road building and transit projects, *The Gainesville Sun reported.*
- **Pinellas County, FL:** Voters rejected a one-cent sales tax hike to pay for a $2.2 million plan for light rail and expanded bus service called Greenlight Pinellas, *The Tampa Tribune reported.*
- **Polk County, FL:** Voters rejected a one-cent sales tax increase that was to be used to fund the development, construction, equipment, maintenance, operation and supportive services for a countywide bus transit system.
- **Clayton County, GA:** The suburban Atlanta county voted by a nearly 3-to-1 margin to join the city’s Metropolitan Atlanta Rapid Transit Authority system and to implement a one-cent sales tax that would pay for MARTA buses and eventually trains, *The Hill newspaper reported.*
- **Cobb County, GA:** Voters passed a one cent sales tax renewal for transportation projects, including Cobb Community Transit.
- **Forsyth County, GA:** Voters approved a $200 million bond referendum to fund road projects, *The Forsyth County News reported.*
- **Wichita, KS:** A measure that would have put 10 percent of revenues from a one-cent sales tax
increase toward bus service failed to win support from voters.

- **Wexford County, MI**: Voters supported a request for a two-year, .6 millage (property tax) renewal from the Cadillac Wexford Transit Authority.
- **Bay City, MI**: Voters approved a .75 millage renewal for Bay Metro Transport.
- **Kansas City, MO**: Voters rejected measures that would have imposed a quarter-cent sales tax for 25 years for capital improvements and an eighth-cent sales tax increase for 25 years for public transportation. The measures were opposed by transit advocates and city leaders, KSHB reported.
- **Dona Ana and Sierra Counties, NM**: Voters in both counties rejected a ¼ of a penny sales tax to fund expanded rural bus service for the South Central Regional Transit District.
- **Austin, TX**: Voters defeated a transportation bond that would have authorized a billion-dollar urban light rail project and $400 million for road improvements, KXAN-TV reported.
- **Seattle, WA**: Voters approved Proposition 1, which will increase funding for King County Metro bus service by about $40 million by increasing the sales tax 0.1 percent and adding a $60 car tab fee for six years, The Puget Sound Business Journal reported. King County voters rejected a similar plan earlier this year. Voters rejected a measure that would have laid the funding groundwork for a proposed monorail project.

### Other Election Results

- U.S. Rep. Nick Rahall of West Virginia, the top Democrat on the House Transportation & Infrastructure Committee, lost his seat after 38 years in Congress, The Hill noted. Oregon Congressman Peter DeFazio is next in line to take the Democratic post on the panel.
- U.S. Rep. Tim 'The Mailman' Bishop, a New York Congressman who worked on both MAP-21 in 2012 and the Water Resources Reform and Development Act this year, was also defeated.
- ...As was U.S. Rep. Steve Southerland of Florida, who was one of the House’s negotiators on the conference report for MAP-21 in 2012. Politico Morning Transportation had listed all three as races to watch. This Roll Call piece suggests that South Dakota Sen. John Thune could be a pivotal transportation dealmaker in the new Republican Senate. He’s in line to be the next chairman of the Senate Commerce, Science and Transportation Committee.
- Other changes at the top of key transportation committees in the GOP Senate: Sen. James Inhofe is poised to take over the Senate Environment & Public Works Committee. Alabama Sen. Richard Shelby will likely assume the gavel at Senate Banking. Sen. Orrin Hatch is expected to lead the Senate Finance Committee. Politico noted Hatch has delivered mixed messages about federal transportation funding over the years.
- Streetsblog USA looked at what GOP Senate control will mean for transportation in 2015.
- DC Velocity reports that some in Washington think the power shift in Congress could make a multiyear surface transportation bill more likely next year.
- Streetsblog USA also looked at the stakes for “smart transportation policy” in six races for Governor. A post-election follow-up deciphers “What the Results of 8 Governors' Races Mean for Cities and Transit.”
- Urbanful notes that while millennials are demanding more public transportation, they aren’t doing themselves any favors by not voting.
- **Maryland**: Gov.-elect Larry Hogan isn’t saying yet whether he might cancel construction of the Purple Line light rail project between Montgomery and Prince George’s counties that has become a closely-watched transit public-private partnership, The Washington Post reported. Greater Greater Washington also reported on what Hogan’s election might mean for transit in the state.
- **New Hampshire**: Gov. Maggie Hassan won re-election Tuesday in a fairly tight contest. As Roll Call noted last week, Hassan signed a state gas tax increase into law last May.
- **Oregon**: Democratic gains in the Oregon Senate could facilitate moving forward with a gas tax
increase in the 2015 legislature, BikePortland.org speculated [37]. Meanwhile, one of the architects of Oregon’s latest mileage-based road usage fee experiment which also gets underway next year, Republican Senator Bruce Starr, was mired in a very close race on election night but appeared to have eked out a narrow victory.

**Texas:** Anti-toll activist Terri Hall notes in a piece for the San Antonio Express-News [38] that anti-toll candidates swept some key races in the Lone Star State Tuesday, including Gov.-elect Greg Abbott.

**Further Reading**

- Sean Kilcarr of Fleet Owner talked to [39] transportation experts about whether all the state transportation referendums will impact national policy.
- This McClatchy article [40] is another that suggests transportation was a big winner in Tuesday’s elections.
- Streetsblog USA also looked at [41] the local ballot measure results.
- The Atlantic CityLab took a stab [42] as well.
- Smart Growth America says [43] smart growth measures fared well on Tuesday.
- Next City looks at the election results for public transit, water and energy here [44].

**MAP-21 Reauthorization & the Future of the Highway Trust Fund**

- The American Association of State Highway & Transportation Officials last week unveiled its updated “Matrix of Illustrative Surface Transportation Revenue Options.” [45] While AASHTO doesn’t recommend any one approach, the matrix offers some three dozen potential mechanisms for Congress to consider. The matrix defines the revenue options, lists pros and cons of each and demonstrates the revenue potential of them all in three different varieties of charts.
- Sean Kilcarr of Fleet Owner looks at [46] why some believe a patchwork of revenue solutions may be needed to restock the Highway Trust Fund.

**State Activity on Transportation Revenues**

- Next week I’ll be in Denver for “Capital Ideas,” Transportation for America’s conference on raising money for transportation through innovative state legislation [47]. As of today, there is still (limited) time to register to attend [48] the meeting, which takes place November 13-14. For state legislators and others hoping to move transportation funding packages forward in 2015, it’s a great opportunity to hear about recent success stories and policy innovations and to get some great how-to tips on developing winning messages and coalitions. For more information on the conference, you can read my recent interview with T4America’s James Corless [49].

- **New Jersey:** State lawmakers held a hearing this week to discuss Assemblyman John Wisniewski’s proposal to increase the state gas tax by at least 25 cents a gallon, which would raise an additional $1.25 billion for the state’s Transportation Trust Fund, NJ.com reported. [50] The fund is projected to run out of cash next year for anything other than debt payments.

- **Oregon:** State DOT officials have been on a statewide “listening tour” to gather input on the state’s road usage charge program, which gets underway next year. Tollroads News [51] and The Oregonian [52] both reported on the tour. Meanwhile, a recent (Eugene) Register-Guard editorial [53] argued that Oregon’s program is a poor test of a mileage tax because it seems to reward gas-guzzlers.

- **Puerto Rico:** The territory’s Government Development Bank, an institution in charge of developing strategies to help finance economic infrastructure projects, has proposed boosting the excise tax charged on crude oil to $15.50 per barrel and pumping up funding for the island’s infrastructure financing authority so it could assume or refinance certain highway and transportation debts, Reuters reported [54]. Such a tax increase could generate an additional $178 million in revenue annually, the bank said.

- **Texas:** A select House Committee on Transportation Funding, Expenditures & Finance met last
week to discuss recommendations the panel might make to the legislature to direct or redirect funds to the Texas Department of Transportation. More than 35 funding options were presented in a committee handout, which you can see here.

**Public-Private Partnerships & Tolling**

- **California:** The operator of a struggling Orange County toll road is having no problem attracting investors, *The Wall Street Journal* reported. The San Joaquin Hills Transportation Corridor Agency sold about $1.4 billion in bonds recently, capitalizing on a broad decline in yields that has whetted investors’ appetite for riskier bets, the newspaper said.

- **Illinois:** Warehousing and shipping businesses in the south Chicago suburbs appear to be withdrawing their support for the proposed Illiana Expressway, *Crain’s Chicago Business* reported.

- **Indiana:** State officials said they have no plans to reclaim the Indiana Toll Road in the wake of its private operator declaring bankruptcy, *The (Northwest Indiana) Times* reported. Some lawmakers had been urging state government to do so. ... Meanwhile, a Chicago bankruptcy judge has cleared the toll road operator to exit Chapter 11 and continue its hunt for a buyer to help the company pay off $6 billion in debt, *The Wall Street Journal* reported.

- **Massachusetts:** Some are concerned about the loss of privacy as the state converts to an all-electronic tolling system, *The Boston Globe* reported.

- **Texas:** A regional planning organization may have rescinded its recommendation for a toll road from Garland to Greenville, known as the Northeast Gateway, but the project remains part of the state’s 10-year plan for transportation projects, *The Dallas Morning News* noted.

**State Multi-Modal Strategies**

**Transit**

- **Alabama:** Alabama State University’s Center for Leadership and Public Policy has a new study out that finds “Without an infusion of new revenue, Alabama’s public transportation system will soon face a crisis in funding.” But doing something about it may be difficult, the report says: “Too many Alabamians are unaware of the economic value of multi-modal transportation investments. This is because Alabama has not evaluated the economic and quality-of-life-values of transportation investments. In addition, many Alabamians do not know what a seamless multi-modal transportation system would look like because they have never seen one or lived in a place with such a system. Alabama residents are unlikely to seek budgetary changes to develop a broadly accessible public transportation system until they know more about its shape and effects.”

- **Michigan:** *Next City identifies* “6 Reasons Grand Rapids Earned a Place on the Great Transit Map.”

- **Tennessee:** Nashville Mayor Karl Dean said recently he won’t seek local or state funding for the Amp, a controversial $175 million bus rapid transit project, *The Nashville Post* reported. That will leave it up to the next mayor to decide whether to move the project forward again.

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