

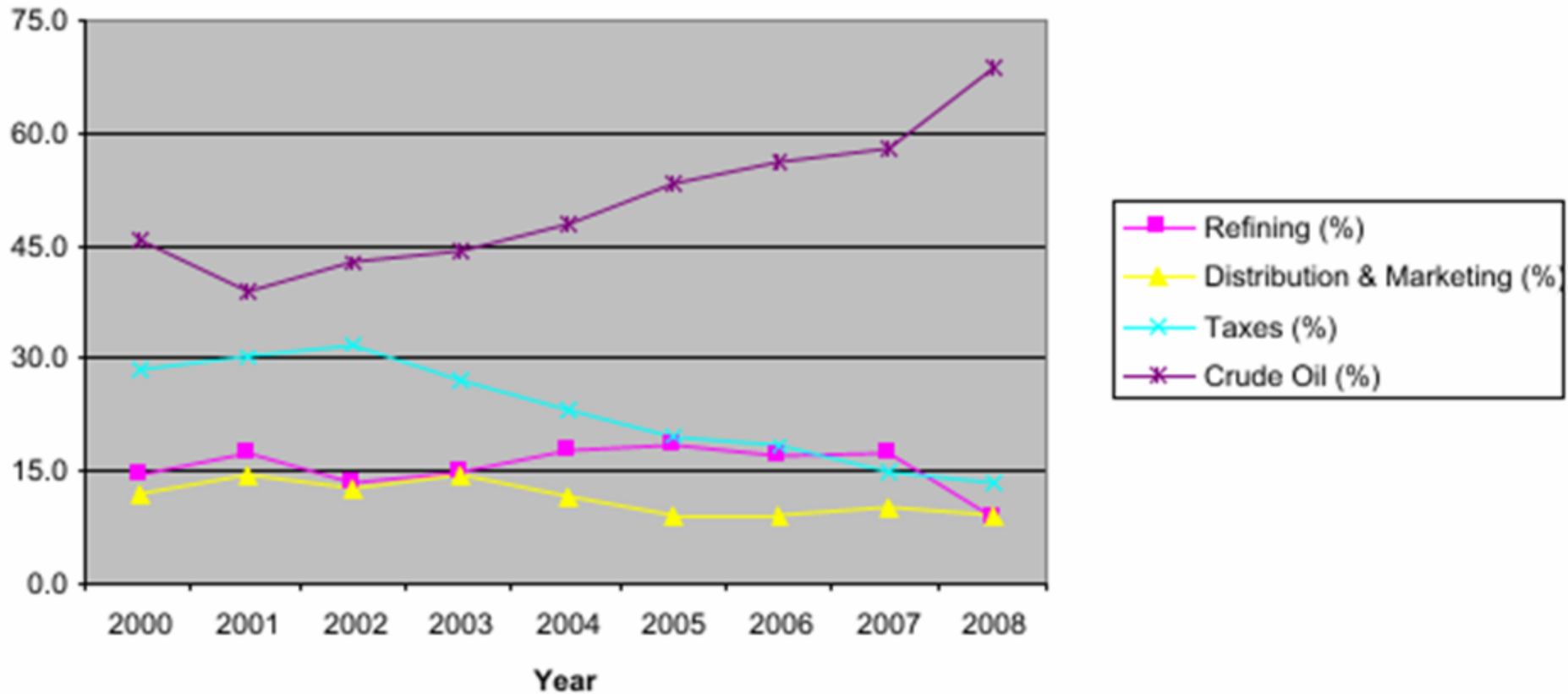
How Do We Increase Public Transit Funding in Indiana?: Five Proposed Steps

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Part I:
The Case for Transit in
Indiana

Gasoline Price Breakdown - Yearly Average



Peak Oil (2037)

Geopolitical Instability (Central Asia, Middle East)

Five Indiana-Specific Reasons

1. Improves air quality
 - Ozone: Allen, Lake, Porter (Ds); Hamilton (C)
 - Particulate: SW, Lake, Marion (Fs)
2. Reduces congestion
 - Quadrupled cost per peak period traveler (2005)
3. Expands mobility for working class, seniors, disabled
4. Helps create more desirable cities: aesthetics, choice
5. Reduces carbon emissions

Part II:
**A Basic Assessment of
the Funding Situation**

There are a lot of infrastructure needs (Capital, O&M)

- Repairing Highways, Bridges, Airports
- Repairing local roads
- Maintaining/expanding Public transit
- Building bike and pedestrian paths

\$1.5 trillion in infrastructure investment over 5 years, across the nation.

Those needs cost a lot of money

- \$16,500,000 per highway mile (and rising)
- \$250,000-\$350,000 for a bus
- \$1.5 million for a new rail car



**Funding is strained at
all levels.**

Federal, State, and Local

Federal Funding Trends

1. Huge short-fall in Highway Trust Fund
 - 4.7% fewer miles traveled in June 2008 compared to June 2007
 - Shoring up funds (general, mass transit)
2. Uncertainty on:
 - Amtrak
 - Transit funding

State Funding Trends

- INDOT's primary source of funding is motor fuel taxes.
 - 6% compared to same time last year (end of July)
- PMTF shoulders 80% more transit agencies than twenty-five years ago
- Major Moves

Local Funding Trends

- Reduced county budgets in 2009+
 - 90% dependent (ITA)
- Small silver lining
 - Increased fare revenues

**Wrestling with the
Funding Challenge:
A Five Part, Multi-Year Agenda**

**#1: Have a Healthy
Public Debate on “Major
Moves”**

Tapping into Major Moves

- Major Moves allocation to fund a new terrain I-69 highway funds just 1/3rd of the route
- Better interstate alternative: Upgrade US 41/I-70.
- Choosing 41-70 potentially frees up money to help build an intercity-rail link

**#2: Engage with the
Indiana Congressional
Delegation on Federal
Funding**

What We Need to Do

1. H.R. 6532
2. Passenger Rail Investment and Improvement Act of 2008
3. THUD Appropriations bill
4. Saving Energy through Public Transportation Act of 2008
5. MW High Speed Rail collaboration

**#3: Work with INDOT
and the Legislature to
Re-Prioritize
Transportation Funding**

INDOT Funding

- \$2.5 billion to be spent on highways in 2008-09
- \$58.4 million to be spent on transit in 2008-09

Another way:

- Indiana, \$20/person
- Colorado, \$39
- California, \$92
- NY, \$208

**#4: Work to Build
Consensus on a
Transportation Funding
Bill**

Consensus

- Increased funding
- Dedicated stream of revenue
- Focus on local and regional transit

Funding Stream Approaches

- Income tax
- Sales tax; food/beverage
- On car-related expenditures
 - Gas tax
 - Licensing fees
 - Parking tax

What We Need to Do

Evaluate Options

- Sustainability
- Inelasticity
- Existing Use
- Impact on sectors
- Impact on low-income

#5: Collaborate

* Many Constituencies Care

■ Business and Labor

- Business trade associations
- Transit equipment manufacturers
- Unions

■ Public interest groups

- Environmental/sustainability organizations
- Senior citizen advocacy groups
- Public health groups
- Neighborhood groups

■ Government

- Local government units

*Other states have done it

- California
- Florida – local option rental car tax; purchase/registration
- Minnesota – purchase/registration
- Maryland & New Jersey – state gas tax
- New York - bonding
- Ohio - bonding
- Texas - bonding

Other Cities Have Done It

- Denver – regional sales tax
- DC – public-private
- Lansing – property tax levy
- Portland – public-private; payroll tax; VMT tax

And last, things are
happening in Indiana.

Indiana – Regional Level



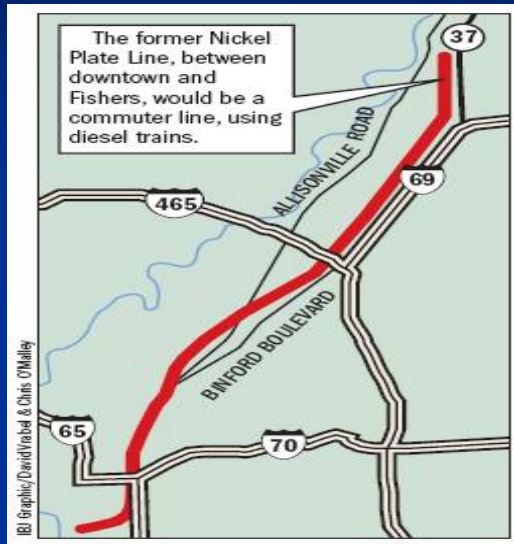
Intercity link: Muncie-Indianapolis-Bloomington

Indiana – State Level



Amtrak ridership increased 31% from 2006 to 2007

Indiana - Local Level



Concluding Thoughts

1. Transit matters to Indiana
 - Jobs, investment
 - Environmental quality
 - Public Health
2. The funding situation is very challenging
3. There are multiple ways to tackle the challenge
– we need to muster our mental and physical will

Thank You. Join Us

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