



# Transfer

Surface Transportation Policy Project's Electronic Update

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**Announcement**

SAVE \$100 if you register for the National Bike Summit by February 1, to be held March 5-7 in Washington, DC.

[Click here](#) for more information.

**[Transfer Archives](#)****January 27, 2003; Volume IX, Issue 3*****Transfer State Issue***

As states face some of their worst budget crises in half a century, and with dozens of new governors appointing new DOT secretaries across the country, this issue of STPP's Transfer offers a snapshot of some of the issues, projects and concerns state leaders are currently facing in the transportation arena. Rather than taking a back seat as an issue, STPP believes that transportation reform is now more important than ever and in many ways can help to solve many of the fiscal crises states and localities are now facing.

We will continue to profile individual states in future issues, along with the continued updates on federal news on the federal reauthorization of TEA-21.

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**California: Budget Deficit Hits \$35 Billion; "Smart Growth" Taxes Proposed to Help Generate New Revenue**

California's budget crisis has escalated to a stunning \$34.6 billion deficit according to Governor Gray Davis' (D) proposed FY04 state budget released in early January. To balance the shortfall, the Davis is proposing to slash \$20.7 billion in spending, shift \$1.9 billion in funds, transfer and generate new revenues of \$2.1 billion, and borrow \$1.7 billion. Davis is proposing tax increases, closing tax loopholes, and more significantly shifting local revenue sources into the state general fund as well as increasing the burden on local governments to provide more state programming responsibilities. Last December the governor proposed numerous cuts to critical state programs affecting education, social services, health care, and other state services, in addition to slashing more than \$1.8 billion in transportation spending.



The deepest cuts to transportation would jeopardize many public transit services throughout the state, slashing funds from the state's \$6.8 billion Traffic Congestion Relief Program. The program was created by the Davis Administration from the budget surplus in 2000 to provide transportation alternatives to the state's congested urban corridors - nearly two-thirds of all funding was dedicated to public transportation. Another \$1 billion in savings will come from suspension of Proposition 42, passed by the voters in March of 2002 to divert revenues from the sales tax on gasoline from the general fund to transportation projects. Transit operators are relying on the precious transit operating dollars that were slated to come from the proposition. With increasing burden on local governments to generate local funds, STPP and many local advocates are proposing to lower what many claim is an insurmountable super-majority vote threshold of 2/3rds approval that California requires to pass local taxes. Support is growing for a lower vote threshold for new "smart growth" taxes that would fund a variety of programs related to affordable housing, infill development, open space preservation and neighborhood reinvestment. STPP California helped introduce a similar bill (SCA13) in the 2002 legislative session.

For more information, contact Kristi Kimball with STPP in California at 415.956.7835 or [kkimball@transact.org](mailto:kkimball@transact.org).

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**Georgia: Study Says Northern Arc Project Not The Best Option For Atlanta** 

After a contentious gubernatorial race in which the controversial Northern Arc highway played a large role, the Georgia Regional Transportation Authority announced interim results of a study which found that the project is not the best solution for easing traffic congestion, promoting cleaner air, and saving time and money for the area's commuters. The study examined three transportation and land-use planning options for the region to determine the best possible economic and environmental choice for the state. The first plan focused on increasing road width and adding HOV lanes to the Arc project. The second plan scrapped the Arc project and focused transportation spending on mass transit projects, with particular emphasis on transit-oriented development (TOD) and zoning. The third plan had the state going ahead with local and regional plans for the highway that are already in place. The study found that the plan that favored transit over new highway construction would provide not just the best environmental benefits to the area, but also the greatest economic benefit, totaling almost \$2 billion for the region (or approximately \$672 per household).



This was the first study to link transportation and land-use planning in the region, acknowledging that adding new roads or busses alone will not solve the region's congestion and traffic woes. "It's really a combination of the two that you need," said Georgia Tech professor and study consultant Michael Meyer in the Atlanta Journal-Constitution. "Success will depend on the link between transportation and land use, and only if we are smarter about how we use existing [roads and transit]."

Local officials expressed skepticism about beginning new TOD projects until they were sure that transit was coming. "We're not going to support changes to our land use plan that promote the high density prior to a date certain that the transportation improvements are in place," Cobb County Commission Chair Sam Olens said in the Journal-Constitution. "I want to see the track being laid."

For more information, [click here](#).

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**New Jersey: Governor McGreevey Campaigns Against Sprawl** 

New Jersey Governor James McGreevey (D) made his campaign against sprawl a centerpiece of his recent state of the state speech. Officials moved quickly to add substance to the effort, unveiling a map clearly delineating growth zones in the state. That map, dubbed the "Big Map," identifies areas where the state would like to discourage sprawl (the red zone), including the already-protected Pinelands. Growth areas are focused mainly in the New York metro region.



New Jersey officials said growth areas will get priority transportation investment and building permits there will be expedited. The state says it will not spend resources for new or wider roads in red zones and added that it would be tougher for developers to get permits and receive permission to link projects to existing roads there. The state may also make sewer hookups in red zones harder to acquire, and pass laws permitting towns to charge developers for roads and schools that growth requires.

For more information, [click here](#).

*(Adapted from Tri-State Transportation Campaign. "New Jersey Maps War Against Sprawl; Red Zones Appear to Rule Out Controversial Highways," Mobilizing the Region. Issue 399, January 21, 2003.)*

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#### **Colorado: Mile High Modal Split**

In his State of the State speech last week, Republican Governor Bill Owens urged lawmakers to continue with the last legislative session's bipartisan "long-term solution to Colorado's transportation challenges." Last year the state's legislature compromised on a package that would send an expected \$15 billion over 20 years towards highways and transit projects.



However, incoming Republican Senate President John Andrews, vowing to weaken its transit funding provisions in favor of more money for highways, has stated that "people sitting in traffic because of inadequate road systems are not going to have their problems solved by building a train alongside them."

RTD general manager Cal Marsella calls the move "counterproductive," especially at a time when transit demand exceeds the agency's capacity. Of further note, its expected when EPA releases its new standards for air quality attainment that the Denver region will fall short.

For more information, [click here](#).

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#### **Maryland: Governor Targets Trust Fund Money in Budget Crunch**

Faced with a projected \$1.3 billion budgetary shortfall for FY04, Maryland's new Governor, Robert Ehrlich (R), has pledged to close the gap without raising taxes. Central to his budget plan are two \$150 million transfers from the state's transportation trust funds into the general fund, one to defray a \$543.7 million shortfall in the current fiscal year's budget, and the second to address the larger FY04 deficit. Additionally, Governor Ehrlich is proposing \$432.9 million in spending cuts, the introduction of video lottery gambling at state racetracks, and approximately \$170 million in additional transfers to the general fund.



Governor Ehrlich has also reportedly considered implementing a five-cent per gallon hike in the state's fuel tax to help provide steady funding for state transportation projects. However, in recent statements the governor expressed reservations about any such increase, saying that the approximately \$125 million per year that the hike would raise would not significantly contribute to the estimated \$20 billion the state requires for its long term transportation needs.

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#### **Pennsylvania: New Governor Selects Progressive Transportation Team**

New Pennsylvania Governor Ed Rendell (D) has announced several progressive appointments for key positions in the state, including Allen Biehler as transportation secretary, Dennis Yablonsky as secretary of the Department of Community and Economic Development, and Roy Kienitz as deputy chief of staff.



Allen Biehler formerly worked for the Port Authority of Allegheny County, Pittsburgh's public transit agency, rising to Acting Executive Director. Mr.

Biehler, most recently a vice president of the transportation consulting firm DMJM-Harris, previously worked for the City of Pittsburgh and Allegheny County as a transportation planner where he oversaw planning for the port and airports as well as roadways and public transportation. "His multi-modal experience gives us someone with more than just highway experience," said Governor Rendell earlier this month.

Dennis Yablonsky, head of the Pittsburgh Life Sciences Greenhouse and former head of the Pittsburgh Digital Greenhouse (two state economic development initiatives), was nominated to be secretary of the Department of Community and Economic Development. Governor Rendell praised Yablonsky in a January 20 article in the Pittsburgh Post-Gazette as "the first secretary of community and economic development who understands the new economy". Roy Kienitz, the secretary of planning for the state of Maryland and former executive director of the Surface Transportation Policy Project, was appointed by Governor Rendell as one of his two deputy chiefs of staff.

#### **Wisconsin: Local Priorities, Smaller Projects, No New Taxes**

Incoming Governor Jim Doyle (D) is expected to unveil plans for Wisconsin's 2003-05 budget next month. At issue are the state's \$4.3 billion dollar deficit and a long range transportation plan that, by 2020, is expected to exceed gas tax and license revenues by \$5.1 billion. Doyle has identified funding for the Marquette Interchange rebuild in Milwaukee; assistance for local roads, transit, and highway maintenance; and not raising transportation taxes as his top budget promises even if it means delaying other state highway projects.



Disappointed legislators want auto-related tax revenues bound for the general fund redirected to transportation, while other decision-makers want to secure additional transportation funding through alternatives that will not worsen the general fund-deficit. According to Milwaukee Mayor John Norquist, downsizing the Marquette Interchange would save \$361 million. Similarly the Southeast Wisconsin Regional Planning Commission could reduce costs for the rebuilding of the southeast Wisconsin highway system by \$730 million off the estimated \$6.25 billion project.

To receive a Transportation Briefing Book by 1,000 Friends of Wisconsin, which is currently calling for an audit of the state DOT, contact Ward Lyles at 608.663.1097.

#### **New Mexico: New Administrator, New Transportation Priorities**

The New Mexico State Legislature convened for a 60-day legislative session January 21st, 2003, faced with a tight general fund budget and a maxed-out highway debt of \$1.3 billion. New Mexico is under the leadership of its newly elected Governor, former U.S. Department of Energy Secretary, Bill Richardson (D). Governor Richardson has promoted a more balanced transportation system for New Mexico, one that embraces buses and bikes as well as roads and highways. Richardson has also touted efforts to enable Regional Transit Districts, fund commuter rail and prioritize the maintenance and upgrading of existing roads. Since transportation funds will be tighter than ever due to annual debt service payments at \$120 million from the prior administration's highway bonding program, Richardson's transportation budget will be challenged.



In December 2002, advocates gathered at an STPP-NM convened meeting in Albuquerque to discuss and organize for the New Mexico legislative session and prepare for TEA-21 Reauthorization. STPP's New Mexico Director DeAnza Valencia outlined several state legislative transportation reform initiatives that include a Safe Routes to Schools bill, funding for rural mass transit and enabling legislation for Regional Transit Districts.

For more information on the New Mexico legislative agenda contact DeAnza Valencia at 505.301.9202 or [dvalencia@transact.org](mailto:dvalencia@transact.org).

Transfer is written and edited by John Goldener of the Surface Transportation Policy Project, with contributions by James Corless, Michelle Ernst, David Ginns, Jeremy Gunderson, Nancy Jakowitsch, Trinh Nguyen, and DeAnza Valencia. Readers are invited to reprint newsletter items; proper citation is appreciated. If you are not currently subscribed, please send us a note via e-mail to: [transfer@transact.org](mailto:transfer@transact.org). Be sure to include your full mailing address and name of your organization, phone and fax numbers. For comments and suggestions about Transfer's content, contact John Goldener at [jgoldener@transact.org](mailto:jgoldener@transact.org).

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