

## TEA-3 and Local Control: *The Final Frontier*

by Sarah Campbell, STPP Board Chair

Whenever most bills come up for debate in Washington we usually hear more than a few buzz words thrown around the halls of the Capitol. One that STPP has always been curious about is the term “devolution.” When ISTEA was up for renewal in 1997, some folks wanted to “devolve” the federal program — but only to a point. Devolution in this case apparently meant giving all the federal transportation dollars to the states but not taking it any further to involve elected officials in local communities, where most of the tax revenues are generated. In this issue of Progress we take a closer look at governance, at what level of decisionmaking is most appropriate for transportation in the 21<sup>st</sup> century.

It’s easy to forget that the federal highway program has always been a “federal-aid” program, with the states in the drivers’ seat since its inception. And back in 1956, when Congress increased the federal gasoline tax to build the Interstate highway system, having the states in charge made sense. After all, they were building Interstate highways, connecting one state to the next.

But now, nearly fifty years later, America’s 46,000-mile Interstate highway system is complete. When ISTEA was passed by Congress in 1991, lawmakers appropriated the last funds for constructing the interstates, and shifted instead towards maintaining and preserving

the system. Yet one of the shortcomings of ISTEA and TEA-21 is that we essentially laid a new planning and funding structure on top of an old governance structure. Today, local officials are responsible for most of the nation’s transportation infrastructure — just about every transit system, port and airport, half of



the nation’s bridges and 75 percent of all roads and highways. For everything but highways, they are fully eligible for federal funds. But with highways they have decisionmaking authority over only six percent of the money. You can’t maintain a majority of the nation’s roads and bridges with just six percent of the resources. More local say over federal highway funds is one of STPP’s top priorities for TEA-21 renewal.

But let’s clarify what we mean by local control. We believe that the transportation problems of the 21<sup>st</sup> century, along with the structure of the new economy and the realities of other critical issues like affordable housing, air quality, and job cre-

ation, are increasingly regional in nature. They are best handled by regional entities, made up of locally elected and accountable board members. These entities already exist in the form of Metropolitan Planning Organizations, or MPOs. While it’s true that some MPOs have room to improve, and that in return for a greater share of federal transportation dollars they will need to accept a greater responsibility for outcomes, they nevertheless should and will be an important part of our transportation future.

While we can’t look to California as a model for everything (I’m from Texas, after all), we should sit up and pay attention to their grand experiment with local control. Just as we define it above, local control is really regional governance with state and federal partners. Since 1998, California has directed roughly 75 percent of all federal and state transportation dollars to local government through more than forty regional planning entities covering the entire state. Read on for more about California’s success. But for now just remember that the one state that has made the most significant improvement in air quality is also the one state that gave all their federal ISTEA & TEA-21 air quality (CMAQ) funds to regional entities over the last decade.

I’d call that evolution more than I would devolution — but whatever you call it, it’s safe to say it’s a success and something we need to see replicated in TEA-3.

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*The goal of the Surface Transportation Policy Project is to ensure that transportation policy and investments help conserve energy, protect environmental and aesthetic quality, strengthen the economy, promote social equity, and make communities more livable. We emphasize the needs of people, rather than vehicles, in assuring access to jobs, services, and recreational opportunities.*

The work of STPP is made possible by grants from the Fannie Mae Foundation, the Ford Foundation, the Great Valley Center, the William and Flora Hewlett Foundation, the James Irvine Foundation, the Robert Wood Johnson Foundation, the Joyce Foundation, the Prince Charitable Trusts, the David and Lucile Packard Foundation, the Rauch Foundation, the Rockefeller Foundation, the Surdna Foundation, the William Penn Foundation, the Heinz Foundation, the Pittsburgh Foundation, 1000 Friends of NM, and by the generous contributions from our supporters.

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*Printed using metal-free, soy-based inks on recycled paper.*



## A Special Thank You to David Burwell: *STPP Co-Founder and President*

It is with deep gratitude that STPP offers its sincere appreciation for twelve years of dedicated service to one of our most committed leaders, David Burwell. David and Jessica Mathews came up with the original idea for STPP in the summer of 1990. He helped organize its first meeting and recruited the first Director. He has been a member of the organization's governing Board since that time, serving as Chairperson for more than four years. He has served as STPP's President for the last two years, during which he presided over a critical transition period at STPP, helping to launch the 600-member Alliance for a New Transportation Charter, developing critical new relationships with local, state and national partners in the public health, civil rights, affordable housing and community development arenas, building the capacity of local STPP field offices around the country, and preparing our coalition for the all-important renewal of the federal surface transportation bill.



Among his many other accomplishments, David founded and served as Executive Director of the Rails-to-Trails Conservancy (RTC), the nation's largest trails and greenways organization. He also served as the legal counsel at the National Wildlife Federation from 1977 to 1986. His landmark 1977 book, "The End of the Road: A Citizen's Guide to Transportation Problemsolving," is still seen as one of the most important transportation advocacy works of the late twentieth century and served to inspire an entire generation of urban planners, transportation reform advocates, elected leaders, as well as many STPP staff.

David has been made a Senior Fellow at the Prague Institute for Global Urban Development. He will continue to work with STPP on climate and transportation issues, and with the Project for Public Spaces on place-making and transportation. He remains on the STPP Board.

## STPP Expands Field Staff

Charles L. Mason, Jr. has been hired as STPP's new California Policy Director. Mr. Mason works on STPP's state-level policy initiatives and legislation related to transportation and smart growth, and is also involved in federal efforts to support the reauthorization of TEA-21. Prior to joining STPP, he was involved in legislative advocacy, policy analysis and research while working for Urban Habitat, the NAACP, as a federal lobbyist for municipal governments, and in the Washington D.C. offices of Congressman John Conyers, Senator Barbara Boxer and Congressman Pete Visclosky.

David Ginns has been named coordinator of the Transportation for Livable Communities Project in Pittsburgh, PA. The Project is a joint effort of STPP and Sustainable Pittsburgh to address the need to develop a sustainable transportation system for the southwestern Pennsylvania region that balances land use planning efforts with investments in transportation infrastructure. Most recently, Mr. Ginns served as a director with the Martin County Metropolitan Planning Organization, a countywide transportation-planning agency based in Stuart, Florida. While there, Mr. Ginns established a two-county fixed route public transportation service through a collaboration similar to what is envisioned for the Transportation for Livable Communities Project.

# Local Control Breeds Local Innovation: *California's Successful Experiment with Suballocation*

by The Hon. Steve Kinsey, Marin County Supervisor

California's sheer size, geographic, cultural, and economic diversity has made it a ripe testing ground for devolving or directing control of transportation funds. Since 1998, 75 percent of all state and federal transportation dollars have been put under the control of local jurisdictions and regions. California's model of suballocation of transportation dollars evolved over a decade while regional transportation planning agencies (RTPAs), and metropolitan planning organizations (MPOs) strengthened their foundation and increased their capacity to program increasingly large amounts of funding. As a Commissioner for the nine-county San Francisco Bay Area Metropolitan Transportation Commission (MTC), I have experienced that greater control and flexibility over funding and programming has empowered us to be more responsive and innovative in tackling our local transportation challenges and needs.

On January 1, 1998, the California law SB 45 gave the 43 RTPAs and MPOs in the state much of the decision-making authority they now enjoy regarding when and where local transportation projects get funded, although Caltrans (our state Department of Transportation) still controls a portion of the state and the federal funding. A keystone of the new law placed greater decision-making with local elected officials who are closer, more aware and responsive to the communities they serve. SB 45 aimed to increase funding flexibility, simplicity, and accountability for expenditures, and provides funding for urbanized regions where congestion typically occurs.

The bulk of the state's enormous funding program has historically gone to larger highway expansion and mass transit projects. SB 45 opened up eligibility to include just about any kind of capital project and put three-quarters of the funding in the hands of RTPAs and MPOs.

## **Better Transportation Choices: Greater Flexing of Dollars to Transit and Alternate Modes**

After four years under our sweeping suballocation law, California is beginning to experience benefits and see some real changes in the way we approach transportation policy. One of the greatest achievements thus far is the improvement in public transit. California alone accounted for over half of all federal funding flexed to transit during the first four years of SB 45 and TEA-21.

Statistics from the Federal Transit Administration show an increase in transit investments in California over the

course of 1997-2001, with a 33% increase in the number of transit vehicles operating and 22% in annual vehicle revenue hours with corresponding increases in transit passenger miles by 20%, and a 14% increase in annual passenger trips. Our payoff has been record levels of transit ridership throughout the state, in part a result of new services coming on line and partly a byproduct of beginning to tie our many different local transit, commuter rail and intercity express bus and Amtrak lines together (California's state-sponsored Amtrak routes are now some of the most popular in the country).

## **Transportation Incentives for Livable Communities**

One of the most highly publicized and visible programs ever undertaken by MTC used the flexibility of federal TEA-21 funds and greater MPO funding authority to develop the "Transportation for Livable Communities" (TLC) program. This initiative started out small, but soon grew to a \$9 million annual program using planning and capital grants to increase public engagement in the planning and design of more walkable, transit-oriented communities. Indeed, it is now in such high demand with our constituents, that the Commission recently tripled the program to \$27 million a year. TLC has three main categories: community planning grants, capital improvement grants, and a housing incentives program fondly called "HIP." Neighborhoods, civic groups and local businesses use their planning grants to envision low-cost projects that improve walkability, safety, livability and economic development. The capital improvement grants support street revitalization or "streetscapes," access to transit stations, business district improvements, non-motorized community connectors and trails, safe routes to schools as well as many other eligible projects.

MTC's HIP program was developed in recognition of the pioneering housing incentive program in the Bay Area's San Mateo County. In 1999, with a massive affordable housing crisis and escalating congestion, San Mateo County's transportation agency developed a program setting aside \$2.2 million in state and federal funds to reward cities for development of denser housing within walking distance of transit stations. The program aims to increase housing production while easing the burden on traffic-choked roads. Among the first recipients was Redwood City for planning a new 430-unit apartment complex near a commuter rail station. They received a \$750,000 grant toward transportation expenditures for their city. For the first time,

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the government is using carrots rather than sticks to create a critical transportation-housing linkage by assisting local jurisdictions in overcoming barriers that prevent infill and transit oriented development. Viewed as a stunning success, the program has doubled in size and continues to garner local and national recognition, sparking similar efforts in dozens of other counties. San Mateo's program recently received the EPA's national award for "Smart Growth."

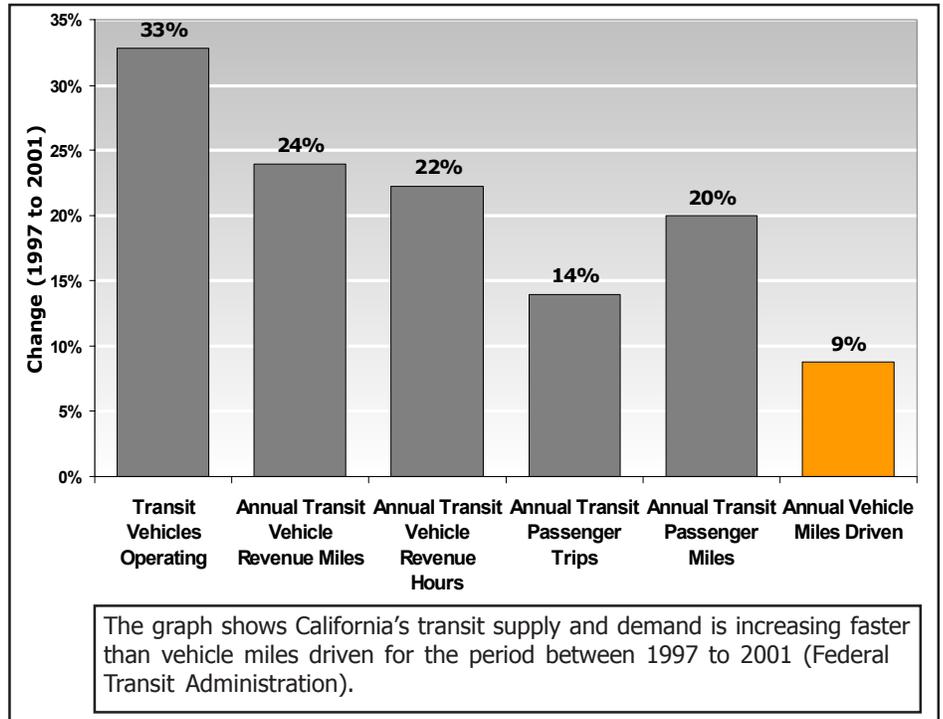
Both programs have inspired Sacramento's six-county MPO, located in California's Great Central Valley, to recently adopt a similar transportation incentive program. The initiative will provide \$500 million over 23 years, on average \$22 million a year, in regional grants to reward local jurisdictions for designing walkable, livable communities and more compact development ideally located next to transit.

### Improvements in Air Quality

California was one of the best performers in spending Congestion Mitigation and Air Quality Improvement (CMAQ) funds. This program was created under the 1991 ISTEA law to help fund regional and local efforts to achieve compliance with national clean air standards. In fact, California saw a dramatic improvement in air quality over the course of less than a decade, cutting the number of person days of unhealthy air quality by 1.4 billion. Again, we firmly believe that this success story is largely the result of suballocating CMAQ dollars to local governments and regional transportation planning agencies under another state law adopted in 1992. California has proven that the program has the potential to be a lot more effective for other states if local and regional governments — whose boundaries more appropriately correspond to air quality problems — have funding certainty and more of a say over how the money gets spent.

### Not One Size Fits All

California's sweeping suballocation model for transportation funding — putting 75 percent of all trans-



portation dollars in the hands of local and regional governments — has bred success, flexibility and innovation throughout the state. When local decision-makers and MPO's are entrusted with greater financial oversight and flexibility, many have stepped up with some of the most innovative programs in the country. It is my opinion that since local decision-makers and regional leaders are closest to the needs of their constituents and likely more responsive than state leaders, they must be empowered to make decisions in the best interest of the public.

For MPO's to be effective, they should have broad representation from throughout the region to ensure coordination and to promote greater regional collaboration. Finally, incremental progress towards directing more dollars to the regions is essential to ensure that regional leaders and MPO's have the capacity, support, and a solid foundation to develop innovative and integrated transportation and land use solutions.

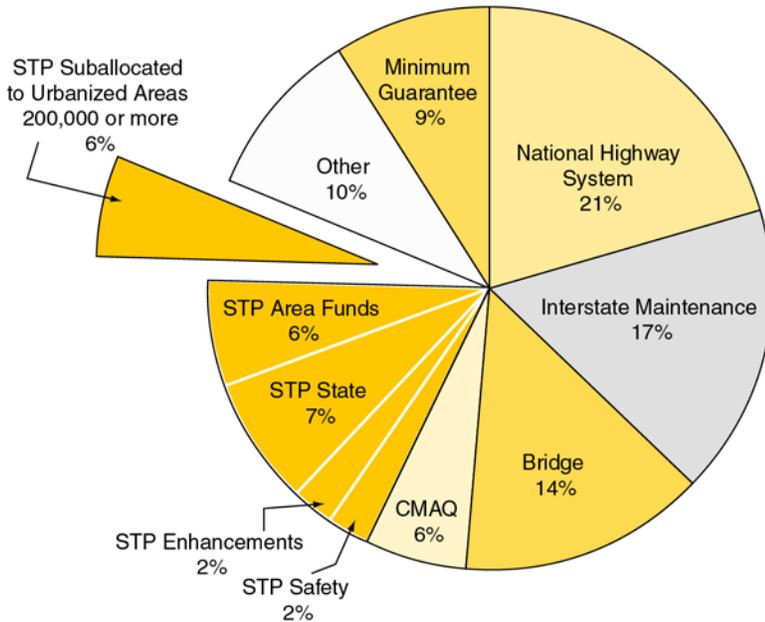
*The Honorable Steve Kinsey serves as County Supervisor representing West Marin County and is chair of the Metropolitan Transportation Commission in the San Francisco Bay Area. He also serves on the Board of Directors of the Association of Metropolitan Planning Organizations (AMPO).*

# Why Local Officials Seek Stronger Funding Commitments

Federal Apportionment, by Program

## Road and Bridge Programs Funded Under TEA-21

FY 2002 Apportionments: \$31.1 billion



*This chart and the accompanying three-page table show the relatively small share of funding TEA-21 directs to local decision-makers.*

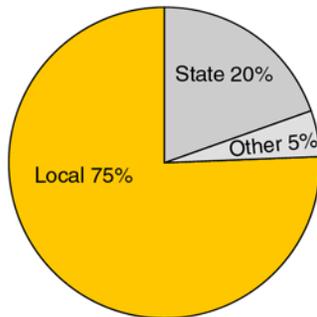
*Only about six cents of every federal highway dollar is specifically directed to local areas - urbanized areas with a population of 200,000 or more.*

Infrastructure Ownership

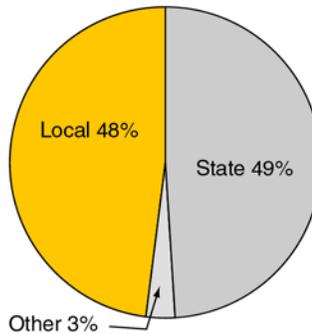
## Who Owns Road and Bridge Infrastructure

Shares of all facilities

Share of Roads/Streets



Share of Bridges

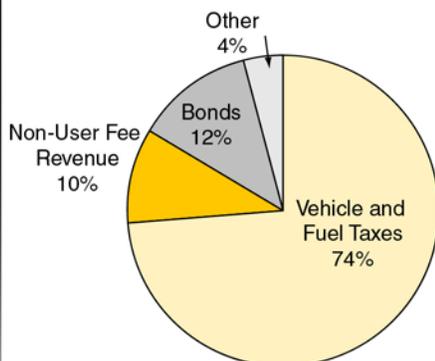


With substantial shares of the nation's roadways and bridges, local officials want more TEA-21 dollars returned back to their local areas, where local officials also own and/or operate most transit systems, sidewalks, trails and public parking facilities, along with substantial shares of the nation's train and bus stations, airports, ports and intermodal facilities.

Other Fund Sources

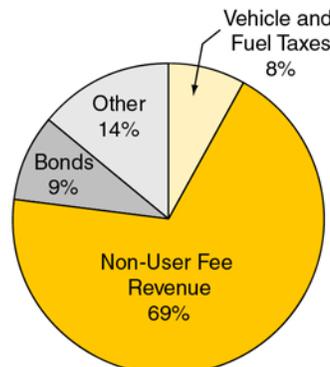
## How States and Locals Fund Roadways

FY 2000, Inter-governmental transfers excluded



**State**

FY 2000 Total: \$66.4 Billion



**Local**

FY 2000 Total: \$33.9 Billion

Local governments expend substantial funds on roadway and bridge improvements, but only a small share comes from system users since most states generally limit their access to user fees. Directing more TEA-21 dollars to local decision-makers gives local areas control over more of the user fees derived from their local areas.

## Suballocated Funds Under TEA-21 by Urbanized Area

State	Urbanized Area (200,000 or more)	Average Annual STP Suballocated Funds (FY98-FY02)	Share of Total Annual State Apportionments (FY98-FY02)	Urbanized Area's Share of Total State Population*
<b>Alabama</b>	Birmingham, AL	\$10,449,250	1.9%	15.4%
	Columbus, GA-AL	\$542,356	0.1%	0.8%
	Mobile, AL	\$5,054,551	0.9%	7.4%
	Montgomery, AL	\$3,527,580	0.6%	5.2%
<b>Alaska</b>	Anchorage, AK	\$0	0.0%	40.3%
<b>Arizona</b>	Phoenix, AZ	\$32,720,279	7.1%	54.7%
	Tucson, AZ	\$9,446,896	2.1%	15.8%
<b>Arkansas</b>	Little Rock-North Little Rock, AR	\$6,186,040	1.7%	13.0%
	Memphis, TN-MS-AR	\$700,949	0.2%	1.5%
<b>California</b>	Bakersfield, CA	\$3,093,138	0.1%	1.0%
	Fresno, CA	\$4,634,396	0.2%	1.5%
	Los Angeles-Long Beach, CA	\$116,557,504	4.7%	38.3%
	Modesto, CA	\$2,357,216	0.1%	0.8%
	Oxnard-Ventura-Thousand Oaks, CA	\$4,911,343	0.2%	1.6%
	Sacramento, CA	\$11,213,257	0.4%	3.7%
	San Bernardino-Riverside, CA	\$11,961,393	0.5%	3.9%
	San Diego, CA	\$24,004,816	1.0%	7.9%
	San Francisco-Oakland, CA	\$37,099,827	1.5%	12.2%
	San Jose, CA	\$14,668,335	0.6%	4.8%
Stockton, CA	\$2,678,556	0.1%	0.9%	
<b>Colorado</b>	Colorado Springs, CO	\$4,827,935	1.5%	10.7%
	Denver, CO	\$20,761,822	6.3%	46.1%
<b>Connecticut</b>	Bridgeport, CT	\$4,689,425	1.1%	12.6%
	Hartford, CT	\$6,188,894	1.5%	16.6%
	Meriden-New Haven, CT	\$5,115,725	1.2%	13.7%
	Springfield-Chicopee-Holyoke, MA-CT	\$771,008	0.2%	2.1%
	Worcester, MA-CT	\$6,289	0.0%	0.0%
<b>Delaware</b>	Wilmington, DE-MD-NJ-PA	\$9,883,499	8.2%	61.2%
<b>Dist. of Col.</b>	Washington, DC-MD-VA	\$13,955,758	12.9%	100.0%
<b>Florida</b>	Daytona Beach, FL	\$2,983,611	0.2%	1.7%
	Fort Myers, FL	\$2,972,975	0.2%	1.7%
	Ft. Lauderdale-Hollywood, FL	\$16,689,679	1.3%	9.6%
	Jacksonville, FL	\$9,953,588	0.8%	5.7%
	Melbourne-Cocoa, FL	\$4,124,493	0.3%	2.4%
	Miami, FL	\$25,809,049	2.0%	14.8%
	Orlando, FL	\$11,958,195	0.9%	6.9%
	Pensacola, FL	\$3,417,887	0.3%	2.0%
	Sarasota-Bradenton, FL	\$5,990,178	0.5%	3.4%
	St. Petersburg-Clearwater-Tampa, FL	\$23,032,903	1.8%	13.2%
West Palm Beach, FL	\$10,714,315	0.8%	6.1%	
<b>Georgia</b>	Atlanta, GA	\$42,873,072	4.4%	33.3%
	Augusta, GA-SC	\$4,311,575	0.4%	3.3%
	Chattanooga, TN-GA	\$917,821	0.1%	0.7%
	Columbus, GA-AL	\$3,743,485	0.4%	2.9%
<b>Hawaii</b>	Honolulu, HI	\$0	0.0%	57.1%
<b>Illinois</b>	Chicago-Northwestern Indiana, IL-IN	\$61,781,742	6.7%	55.1%
	Davenport-Rock Island-Moline, IA-IL	\$1,324,328	0.1%	1.2%
	Peoria, IL	\$2,376,246	0.3%	2.1%
	Rockford, IL	\$2,037,712	0.2%	1.8%
	St. Louis, MO-IL	\$3,218,937	0.3%	2.9%

\* Population figures from FHWA (1990 Census)

## Suballocated Funds Under TEA-21 by Urbanized Area

State	Urbanized Area (200,000 or more)	Average Annual STP Suballocated Funds (FY98-FY02)	Share of Total Annual State Apportionments (FY98-FY02)	Urbanized Area's Share of Total State Population*
<b>Indiana</b>	Chicago-Northwestern Indiana, IL-IN	\$7,814,402	1.2%	8.9%
	Fort Wayne, IN	\$3,953,939	0.6%	4.5%
	Indianapolis, IN	\$14,559,418	2.2%	16.5%
	Louisville, KY-IN	\$1,594,140	0.2%	1.8%
	South Bend, IN-MI	\$3,424,856	0.5%	3.9%
<b>Iowa</b>	Davenport-Rock Island-Moline, IA-IL	\$2,005,617	0.6%	4.6%
	Des Moines, IA	\$4,567,519	1.4%	10.6%
	Omaha, NE-IA	\$931,496	0.3%	2.2%
<b>Kansas</b>	Kansas City, KS-MO	\$9,094,765	2.8%	19.4%
	Wichita, KS	\$6,415,852	2.0%	13.7%
<b>Kentucky</b>	Cincinnati, OH-KY	\$3,574,690	0.7%	6.4%
	Lexington-Fayette, KY	\$3,338,020	0.7%	6.0%
	Louisville, KY-IN	\$9,903,559	2.1%	17.8%
<b>Louisiana</b>	Baton Rouge, LA	\$4,503,548	1.0%	8.7%
	New Orleans, LA	\$12,801,741	2.9%	24.7%
	Shreveport, LA	\$3,156,531	0.7%	6.1%
<b>Maryland</b>	Baltimore, MD	\$20,051,087	4.6%	39.5%
	Washington, DC-MD-VA	\$15,076,449	3.4%	29.7%
	Wilmington, DE-MD-NJ-PA	\$145,693	0.0%	0.3%
<b>Massachusetts</b>	Boston, MA	\$24,715,272	4.8%	46.1%
	Lawrence-Haverhill, MA-NH	\$1,887,906	0.4%	3.5%
	Providence-Pawtucket-Warwick, RI-MA	\$828,987	0.2%	1.5%
	Springfield-Chicopee-Holyoke, MA-CT	\$4,138,272	0.8%	7.7%
	Worcester, MA-CT	\$2,806,132	0.5%	5.2%
<b>Michigan</b>	Ann Arbor, MI	\$2,876,993	0.3%	2.4%
	Detroit, MI	\$47,904,687	5.4%	39.8%
	Flint, MI	\$4,223,910	0.5%	3.5%
	Grand Rapids, MI	\$5,653,110	0.6%	4.7%
	Lansing, MI	\$3,434,535	0.4%	2.9%
	South Bend, IN-MI	\$294,746	0.0%	0.2%
	Toledo, OH-MI	\$243,790	0.0%	0.2%
<b>Minnesota</b>	Minneapolis-St. Paul, MN	\$28,950,907	7.1%	47.5%
<b>Mississippi</b>	Jackson, MS	\$5,039,160	1.5%	11.2%
	Memphis, TN-MS-AR	\$511,101	0.2%	1.1%
<b>Missouri</b>	Kansas City, KS-MO	\$12,482,556	1.9%	15.5%
	St. Louis, MO-IL	\$25,406,141	3.9%	31.6%
<b>Nebraska</b>	Omaha, NE-IA	\$9,073,810	4.3%	30.7%
<b>Nevada</b>	Las Vegas, NV	\$7,692,086	3.9%	58.0%
	Reno, NV	\$2,357,733	1.2%	17.8%
<b>New Hampshire</b>	Lawrence-Haverhill, MA-NH	\$376,618	0.3%	2.3%
<b>New Jersey</b>	Allentown-Bethlehem-Easton, PA-NJ	\$223,315	0.0%	0.3%
	New York-Northeastern New Jersey, NY-NJ	\$46,017,090	6.4%	66.2%
	Philadelphia, PA-NJ	\$8,502,428	1.2%	12.2%
	Trenton, NJ-PA	\$2,300,873	0.3%	3.3%
	Wilmington, DE-MD-NJ-PA	\$234,347	0.0%	0.3%
<b>New Mexico</b>	Albuquerque, NM	\$9,762,618	3.6%	32.8%
	El Paso, TX-NM	\$160,622	0.1%	0.5%
<b>New York</b>	Albany-Schenectady-Troy, NY	\$3,604,667	0.3%	2.8%
	Buffalo, NY	\$6,757,039	0.5%	5.3%
	New York-Northeastern New Jersey, NY-NJ	\$77,389,554	5.5%	60.8%
	Rochester, NY	\$4,387,382	0.3%	3.4%
	Syracuse, NY	\$2,753,690	0.2%	2.2%

\* Population figures from FHWA (1990 Census)

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<b>North Carolina</b>	Charlotte, NC	\$6,624,712	0.9%	6.9%
	Durham, NC	\$2,986,011	0.4%	3.1%
	Fayetteville, NC	\$3,515,410	0.5%	3.6%
	Raleigh, NC	\$4,448,372	0.6%	4.6%
<b>Ohio</b>	Akron, OH	\$5,585,576	0.6%	4.9%
	Canton, OH	\$2,587,978	0.3%	2.3%
	Cincinnati, OH-KY	\$10,330,982	1.1%	9.0%
	Cleveland, OH	\$17,750,362	1.8%	15.5%
	Columbus, OH	\$10,002,014	1.0%	8.7%
	Dayton, OH	\$6,491,394	0.7%	5.7%
	Lorain-Elyria, OH	\$2,371,174	0.2%	2.1%
	Toledo, OH-MI	\$4,976,876	0.5%	4.3%
	Youngstown-Warren, OH	\$3,826,552	0.4%	3.3%
	<b>Oklahoma</b>	Oklahoma City, OK	\$14,671,330	3.5%
Tulsa, OK		\$8,877,854	2.1%	15.1%
<b>Oregon</b>	Portland, OR-WA	\$14,661,418	4.3%	35.3%
<b>Pennsylvania</b>	Allentown-Bethlehem-Easton, PA-NJ	\$3,711,100	0.3%	3.2%
	Harrisburg, PA	\$2,818,834	0.2%	2.5%
	Philadelphia, PA-NJ	\$31,540,251	2.3%	27.6%
	Pittsburgh, PA	\$16,155,816	1.2%	14.1%
	Scranton-Wilkes-Barre, PA	\$3,736,179	0.3%	3.3%
	Trenton, NJ-PA	\$412,917	0.0%	0.4%
	Wilmington, DE-MD-NJ-PA	\$18,083	0.0%	0.0%
<b>Rhode Island</b>	Providence-Pawtucket-Warwick, RI-MA	\$12,820,172	7.8%	75.1%
<b>South Carolina</b>	Augusta, GA-SC	\$1,238,443	0.3%	2.0%
	Charleston, SC	\$7,016,398	1.6%	11.3%
	Columbia, SC	\$5,847,930	1.3%	9.4%
	Greenville, SC	\$4,419,987	1.0%	7.1%
<b>Tennessee</b>	Chattanooga, TN-GA	\$3,802,682	0.6%	5.1%
	Knoxville, TN	\$4,617,095	0.7%	6.2%
	Memphis, TN-MS-AR	\$11,544,058	1.8%	15.6%
	Nashville-Davidson, TN	\$8,693,757	1.4%	11.8%
<b>Texas</b>	Austin, TX	\$9,377,718	0.5%	3.3%
	Corpus Christi, TX	\$4,505,345	0.2%	1.6%
	Dallas-Ft. Worth, TX	\$53,366,447	2.6%	18.8%
	El Paso, TX-NM	\$9,391,567	0.5%	3.3%
	Houston, TX	\$48,420,555	2.3%	17.1%
	McAllen-Pharr-Edinburg, TX	\$4,391,646	0.2%	1.5%
	San Antonio, TX	\$18,841,169	0.9%	6.6%
<b>Utah</b>	Ogden, UT	\$3,822,166	1.8%	15.0%
	Provo-Orem, UT	\$3,252,987	1.5%	12.8%
	Salt Lake City, UT	\$11,643,576	5.4%	45.8%
<b>Virginia</b>	Newport News-Hampton-Virginia Beach-Norfolk, VA	\$19,004,716	2.7%	21.4%
	Richmond, VA	\$8,474,355	1.2%	9.5%
	Washington, DC-MD-VA	\$19,177,570	2.7%	21.6%
<b>Washington</b>	Portland, OR-WA	\$2,026,113	g	3.4%
	Seattle-Everett, WA	\$21,099,074	4.3%	35.8%
	Spokane, WA	\$3,375,661	0.7%	5.7%
	Tacoma, WA	\$6,014,996	1.2%	10.2%
<b>Wisconsin</b>	Madison, WI	\$3,742,105	0.7%	5.0%
	Milwaukee, WI	\$18,781,176	3.5%	25.1%

\* Population figures from FHWA (1990 Census)

# Solving Metropolitan Transportation Needs:

## *New Decision-Makers, New Decisions*

by Linda Bailey

A forthcoming report from the Brookings Institution, entitled "Suballocation and Transportation Project Selection," tracks the different spending patterns of metropolitan and state-level decision-makers since ISTEA. The general findings are outlined below.

### Program Overview

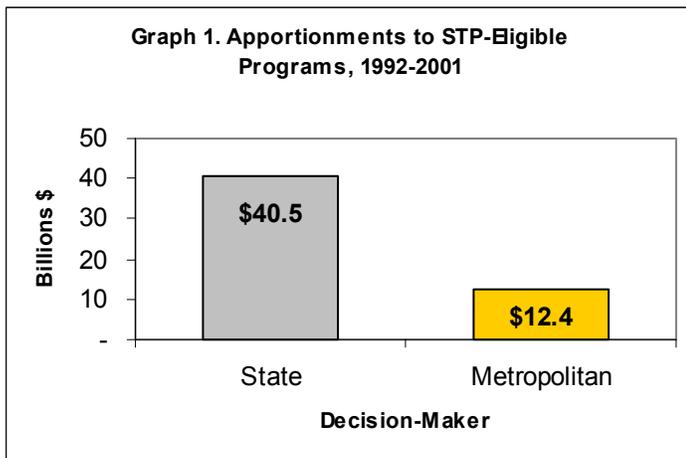
The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and its successor bill, TEA-21, shifted national transportation policy to an "intermodal" system, focusing on the multiple ways that people get around, including transit, walking, and bicycling, as well as the traditional focus on personal vehicle travel. Two of the five core programs established in ISTEA were opened up for use on transit projects, bicycle and pedestrian improvements, and innovative traffic management solutions. The two programs, the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Improvement (CMAQ) program, together represent 30% of federal highway program funding.

tions above 200,000 began receiving approximately a quarter of all STP funds, provided to their Metropolitan Planning Organizations (MPOs). This is commonly termed "suballocation," meaning that federal funds were allocated below the level of the state DOT. STP funds are the most flexible and can be spent on a wide range of transportation projects.

**CMAQ's Area Limitations.** Degraded air quality from cars and trucks is fundamentally a metropolitan problem. Although the federal government does not give decision-making power on CMAQ spending directly to metropolitan areas, it does require that funds be spent in ways that address their air quality problems — largely in metropolitan areas. Some state DOTs do formally suballocate these funds to their MPOs, partly because of the area limitations stipulated by the federal government.

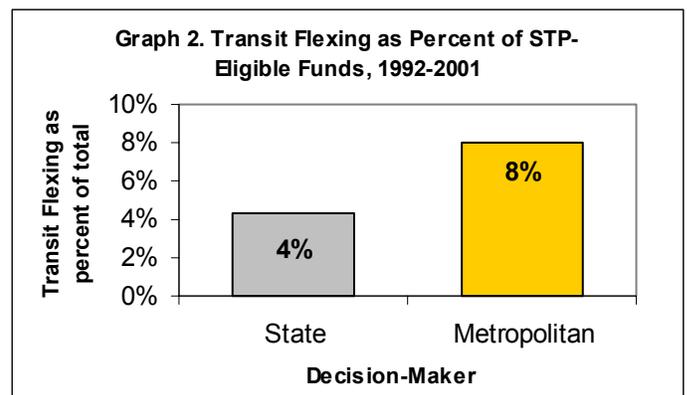
### Suballocation of STP and Multi Modal Spending

**Transit Flexing.** Since ISTEA in 1991, Metropolitan Planning Organizations have been twice as likely to spend their suballocated funds on public transit projects as have state DOTs from funds with the same eligibility\*. This illustrates the relative importance of transit service for metropolitan transportation officials, who are more likely to be held responsible for providing their citizens with quality transit options than state officials.



The motivation behind this shift was that metropolitan transportation problems are best solved at the metropolitan level. Poor air quality, traffic congestion, safety, and transit system needs, to name a few, are found predominantly in metropolitan areas. Two programs address these issues directly in the metropolitan context: suballocated STP funds and CMAQ.

**Suballocation of STP.** When the federal-aid highway program began, federal roadway funds were spent solely by the state Departments of Transportation (DOTs), who received the federal apportionments directly. Starting with ISTEA, however, metropolitan decision-makers received unprecedented authority over a portion of these funds. Those areas with popula-



**Pedestrian and Bicycle Infrastructure.** In the same time frame, MPOs were 78% more likely than state DOTs to spend federal funds on pedestrian and bicycle infrastructure. While state DOTs are gradually learning the importance of providing a safe place to walk and bicycle, local leaders have consistently put more of their federal funding into these crucial modes.

### **CMAQ: Multi-modal Solutions Through Focus on Metro Areas**

In 1991, following enactment of the 1990 Clean Air Act Amendments, CMAQ was created to help metropolitan areas deal with the air quality problems caused by vehicle emissions. By constraining state DOTs to spending money solely in areas with corresponding air quality problems, the ISTEA and TEA-21 bills have been successful in moving road funds to support other transportation choices to combat poor air quality. For example, more than 45% of CMAQ funds have been flexed to transit projects.

### **What Would More Suballocation Mean for Multi-Modal Spending?**

California has been progressively suballocating more and more of their federal transportation funds since 1991. (For a more extensive description of California's

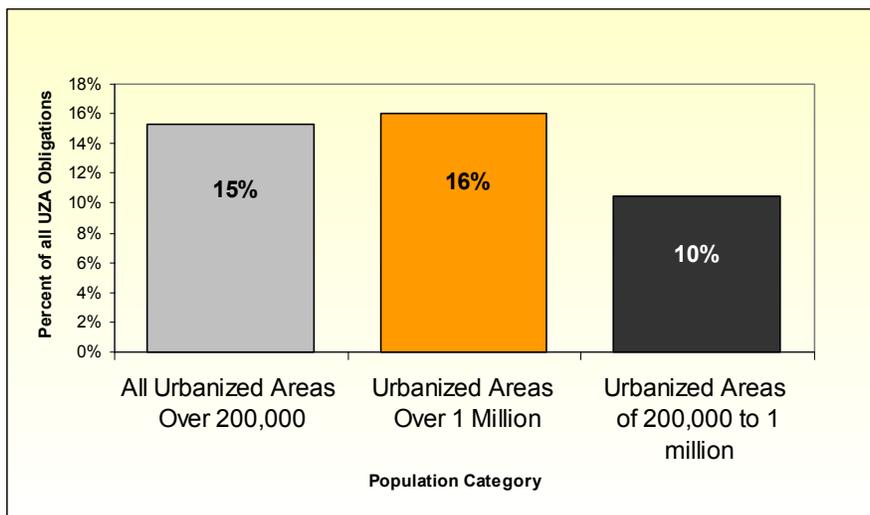
practice, see the article on pg. 3) It has suballocated all of its CMAQ funds to the metropolitan level, as well as 75% of all other funds. This shift in decision-making practice has led to a remarkably multi-modal spending pattern: California alone accounted for over half (52%) of all funds flexed to transit since its second suballocation bill (SB-45) was enacted in 1998. The pattern of strong support for transit was consistent across the state, from the Los Angeles area to the Bay Area to Sacramento.

*\*This comparison comes from an analysis of all funds with STP eligibility, comparing spending of funds subject to state decision-making with funds subject to metropolitan decision-making.*

### **How Public Transit Benefits from Flexible Funding**

Transit agencies have seen a marked increase in their total federal dollars due to flexing of STP and CMAQ dollars. For Fiscal Years 1997-2001, transit agencies received an average of 15% of all their federal dollars through flexing. Since the passage of TEA-21 in 1998, this has amounted to an average of more than \$1 billion per year, increasing the total funding transit agencies receive from the federal government. Metropolitan areas over a million in population have received a higher percentage of their funding through flexing: 16% on average.

**Flexible Funding as Share of Total Federal Transit Funding, FY '97 - FY '01**



# Coalition of Local Officials Unveil Agenda for TEA-3

*Top Priorities: More Local Control Over Dollars and Project Decisions*

by Kevin McCarty, Senior Director of Federal Policy

Emphasizing that only six cents on every federal highway dollar is certain to reach local decision-makers, eleven national organizations representing elected and appointed officials unveiled their shared agenda for renewing TEA-21 last month. The newly-established coalition, Local Officials for Transportation, is urging Congress to enact reforms that increase local control when preparing legislation that is expected to allocate more than \$30 billion annually delivered to the states.

The coalition's principles emphasize increased funding to metropolitan planning organizations (MPOs) through suballocation and more control over the programming of federal highway funds in local areas.

At a February 10 National Press Club event in Washington, DC, Dallas Councilmember Sandy Greyson spoke of the new coalition's recommendation for more local control of transportation resources. Greyson, who serves as Chair of the National League of Cities' Transportation Infrastructure and Services Steering Committee, said, "Our citizens expect us to solve transportation problems, like congestion, and we look forward to working with Congress to enact the coalition recommendations which will give us the tools to do our job."

Fort Worth Mayor Kenneth L. Barr, who leads The U.S. Conference of Mayors (USCM) Transportation Committee, further amplified the coalition's position on local control, stating, "suballocation is the tool that gives local government entities the resources and decision-making ability to direct transportation funds where they are most needed."

Barr also pointed out how states have not delivered on federal commitments to clean air improvements. "Both ISTEA and TEA-21 called for CMAQ funds to be allocated by MPOs in coordination with the states. But MPO authority over these funds has been curbed by states," Barr said. Explaining why suballocation of CMAQ resources is needed, Barr noted that states have under-spent CMAQ funds by \$2.2 billion by short-circuiting this federal commitment.

In moderating the event, Tarrant County, TX Commissioner Glen Whitely discussed the historic nature of the broad coalition of public officials which for the first time came together to formally adopt a common position on the reauthorization of a highway and transit bill. Whitely, who chairs the National Association of Counties' Transportation Steering Committee, said "while the 40 percent increase in funding in TEA-21 has generally improved the conditions of our transportation system, we need reforms in the federal program and more funding."

The LOT Coalition also includes the Association of Metropolitan Planning Organizations, the National Association

## Key Planks in the LOT Coalition's Reauthorization Platform

- Promote greater cooperation between states, Metropolitan Planning Organizations and local governments in transportation planning priorities, project selection, and fiscal review.
- Suballocate Surface Transportation Program (STP) funds to all MPOs (including those at least 50,000 in population), and Congestion Mitigation and Air Quality (CMAQ) funds to all MPOs and local governments in non-attainment and maintenance areas.
- Increase CMAQ and Metropolitan Planning Funds in anticipation of new non-attainment areas and the growing number of urbanized areas respectively.
- Increase transit funding and retain the current federal – local matching requirements for transit.
- Target resources for the federal bridge program to local governments to ensure the backlog of deficient bridges are repaired.
- Fund new approaches to improving urban congestion, rural road safety and technology deployment.

of Regional Councils, American Public Works Association, the National Association of Development Organizations, International City/County Management Association, the National Association of County Engineers, the National Association of City Transportation Officials, and Public Technology, Incorporated.

For more information on the Local Officials for Transportation coalition, visit <http://www.nlc.org>

## Brookings Transportation Study Finds Fiscal Bias Against Urban Counties in Ohio

While negotiating the last two federal surface transportation bills, ISTEA and TEA-21, state officials have hotly debated the fair share issue. By this calculation, states that receive more federal transportation funds than they contribute to the Highway Trust Fund are *donees*, while the states that receive less than their share of contributions are *donors*. Under TEA-21, the donor states won an agreement that each state would receive at least 90.5% of their share in federal apportionments. Recent research has looked at the parallel situation between counties within one state, Ohio.

The February 2003 Brookings discussion paper, "Slanted Pavement: How Ohio's Highway Spending Shortchanges Cities and Suburbs," examined four different ways to judge whether each county received its fair share. Researchers found that the Ohio De-

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partment of Transportation (ODOT) had shortchanged urban counties on roadway fund distribution by all four measures. Spending was measured

against four indicators of contribution to user fees or need: retail gasoline sales, vehicle registrations, vehicle miles traveled, and lane miles. Each showed urban counties receiving less than their fair share, relative to rural and suburban counties. The study covered both state and federal fund distribution.

While state fund distribution is closely regulated by Ohio state law, the distribution of most federal funds is subject to ODOT's discretion.

*For more information on the study, "Slanted Pavement: How Ohio's Highway Spending Shortchanges Cities and Suburbs", contact the Brookings Institution Center on Urban and Metropolitan Policy at 202.797.6139 or [www.brookings.edu](http://www.brookings.edu).*

Table 1. State and Federal Road and Bridge Spending per Vehicle Registration, by County Type, Ohio, 1980-1998

County Type	Total Spending per Vehicle Registration (1999 Dollars)
Rural	\$2,502
Suburban	\$1,871
Urban	\$1,695
Average	\$1,912

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