

**Short-term recommendations:**

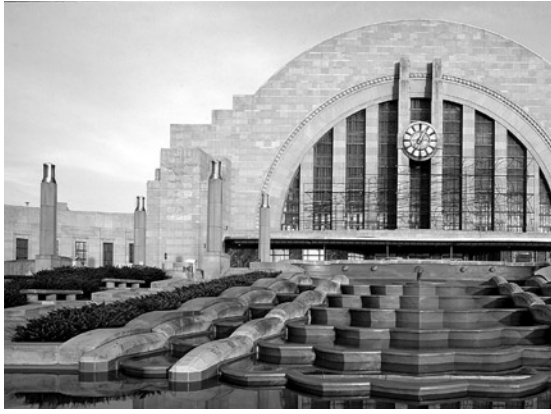
**Elevate “fix-it-first” as the central principle guiding transportation investment decisions.**

Fix-it-first means making system preservation a priority, an approach that is particularly appropriate in states like Ohio, in which population growth is slow, and new capacity runs the risk of draining vitality from existing communities. The 21<sup>st</sup> Century Transportation Priorities Task Force emphasized the need to prioritize projects using a fix-it-first approach, and the state has taken concrete steps towards implementing this recommendation. Other states offer useful models for how further to operationalize this commitment and embed it into their regular decision-making processes. In New Jersey, for example, the state transportation commissioner has declared that maintaining existing infrastructure rather than expanding the transportation system is NJDOT’s “core mission,” and notes that “the few projects that include widening complement the fix-it-first and mass transit projects in which NJDOT concentrates its investments. **Capacity expansion is a last resort,** and our expansion investments are limited to roadways on which traffic volume is causing serious congestion, threatening quality of life and safety.”<sup>114</sup> This recommendation aligns with the Compact with Cities Task Force recommendation that would prohibit the use of public resources for greenfield development, except in particular circumstances.<sup>115</sup>

**Analyze and track ODOT investment decisions on the basis of greatest returns on investment.**

Particularly when state dollars are so scarce, each one should bring the greatest return on investment possible. ODOT should subject all of its investment decisions to a hard-nosed analysis, asking which projects generate the greatest returns for the state, and prioritize projects according to a formula that incorporates cost-effectiveness, economic impact, carbon reduction, and matching low-income workers to jobs. Then, ODOT should use concrete outcome measures—e.g., higher wages and property values, lower cost of living indicators—for assessing progress. Utah has made some efforts in this direction that Ohio should investigate.<sup>116</sup> ODOT should also create a system so that Ohioans can track ODOT’s investment performance according to the standards of economic impact, carbon reduction, etc., described above. In Virginia, the DOT’s Dashboard system is a user-friendly clearinghouse, which provides complete financial data for projects and a three-level rating system for a project’s progress.<sup>117</sup> According to *Governing* magazine, this transparency has gotten impressive results: after the system came online, the percentage of projects completed on time rose to 87 percent from 27 percent prior to implementation.<sup>118</sup>





### Medium-term recommendations:

**Create a state-wide sustainability challenge competition.** As noted above, federal highway funds can be used for non-road purposes. The state should use its federal highway funds creatively and sponsor a state-wide sustainability challenge competition, to encourage metropolitan regions to devise a broad vision for reducing both congestion—the immediate need—and carbon emissions—the long-term necessity for the next economy—and reward those that can pull these disparate strands together with extra funding and extra flexibility in using those funds. Similar to ODOT’s local collaboration grants, but much more ambitious, the sustainability challenge would fund the creation of plans encompassing transportation, housing, land use, economic development, and energy policies, and then reward the best plans with additional funds in these areas, plus greater flexibility to bend existing funding streams to coordinated programs. A federal sustainability challenge program was introduced in S. 1619, the Livable Communities Act, sponsored by U.S. Senator Chris Dodd.<sup>119</sup> This act could be a model for Ohio’s legislation, scaled, of course, to Ohio’s budget and needs.<sup>120</sup>

To further support the state sustainability challenge, the legislature should pass the proposed bipartisan Transportation Innovation Authority (TIA) bill that would encourage regional innovative transportation projects through public-private investments, thus providing local entities with another critical tool to fund a regional and more collaborative approach to transportation projects.<sup>121</sup>

**Change how infrastructure gets funded in Ohio in order to support transformative investments.** Any changes in the orientation or practices of ODOT will only have limited effect

if Ohio’s funding system still tilts so strongly in favor of building roads. To make transformative investments that will respond to the imperatives of a new energy economy, like the 3C rail line, the state must make three significant changes. First, the state must change the highway funding formula, which now has only a tenuous relationship between funding and indicators of need like population, vehicle registrations, retail gasoline sales, or VMT.<sup>122</sup>

This does not mean disinvesting in rural areas, although they may see less highway funding than they do at present. It means investing in the areas that exhibit the highest GDP return on investment. A greater metropolitan GDP means a greater state GDP, and greater prosperity for all Ohioans. Second, the state should pay for the maintenance of state highways that pass through cities with state funds, instead of stopping maintenance at a city’s edge.<sup>123</sup>

Third, the state needs to investigate new funding sources for transformative multimodal projects such as inter- and intra-metropolitan rail service and robust multimodal freight facilities that Ohio needs more urgently than new roads.<sup>124</sup> This will have a high up-front cost, but trying to build out a transportation network one small piece at a time can lead to a situation in which the whole never coalesces to become more than the sum of its parts. Transportation networks are much more valuable (and effective) when they are fully connected. More connections between small networks make the entire statewide network more valuable, with a greater return on investment. Thus, the question should not be whether inter- or intra-metropolitan rail comes first, but rather how to think boldly and creatively about funding a transformative network. The Compact with Cities Task Force recommendation that Ohio consider finding a dedicated source of state funding for public transit is a complementary recommendation.<sup>125</sup>