Climate & Community INSTITUTE

State Legislature

Policy Agenda | **People-first transportation**

To read the full report, see Letting People Move

The problem

In the United States, the shortcomings of today's automobile-focused transportation system impact many facets of life, ranging from healthcare access to job retention to air quality. States are in many cases acting against their residents' well-being and their own financial interests by overwhelmingly funding roads and highways in spite of having the ability to distribute funding to other modes.

Transportation policy represents a key tool to address both the cost of living crisis and the climate crisis.

The solutions

States can pursue a 5-pillar strategy:

1. **Balance funding to support more freedom of transportation choices.**
2. **Connect climate goals and transportation planning.**
3. **Re-orient project planning, design & permitting to prioritize projects that reduce VMT, improve safety, improve transit, and serve disadvantaged communities.**
4. **Level the playing field by realigning incentives for individuals to use socially beneficial transportation options.**
5. **Transform institutional structures, culture & capacity to favor diversified transportation.**

State legislatures can begin the following policy agenda immediately without waiting for other branches of government.

To see more detail about these strategies and policies, see Letting People Move.

Strategy 1 Balance funding to support transportation choices

Congress, states, and regional and local governments must infuse financial resources into transit systems, sidewalks and bicycling infrastructure that have been chronically underfunded, because these resources offer many public benefits, including improved safety, public health, air quality, and access to jobs, school, health care, groceries and recreation. Governments must also wean road expansion projects from the public balance sheet because these investments undermine fiscal responsibility, climate efforts, transit accessibility and public safety goals. Governments can reallocate existing funds and identify new funding streams. If the majority of new highway construction dollars at all levels of government were diverted into other programs, this would free up roughly $150 billion per year for other uses.

Pause all highway expansion

New road capacity is the biggest source of new transportation emissions. For any other policies to have a chance at decreasing overall emissions, states and MPOs need to pause future expansions and capacity projects already in the planning pipeline to give time for re-evaluation of priorities. This would make billions of dollars potentially available for system maintenance and expansion of transportation choices. Additionally, states could set an expiration of 10 years for funds allocated to highway project planned but not built.

Example

In 1972, Massachusetts Governor Francis Sargent responded to protests over highway construction plans by declaring a moratorium on freeway construction inside Boston. When LA Metro recently canceled the 710 Freeway project, the decision diverted $225 million to transit and bike and pedestrian projects, $188 million to arterial roads and complete streets, and $210 million for freeway safety and interchange improvements. In 2023, the Welsh government announced it would cancel all major road expansion projects.

Flex highway funds

State legislatures can require their DOTs to prioritize VMT or GHG reduction, which would prompt more flexing. State DOTs can proactively encourage and facilitate their MPOs to take advantage of flex funding: Assign a flex funding liaison in the state DOT; provide incentives for MPOs; and streamline and fasttrack STIP amendments made for the purpose of flexing funds toward transit and active transportation.

Example
California flexed 20% of its STBG funds to transit between 2021 and 2023. New Jersey flexed 17% of its entire federal highway apportionment to the Federal Transit Administration (FTA) between 2021 and 2023. In 2024, Pennsylvania used flex funding as an emergency measure to prevent transit service cuts for the Southeastern Pennsylvania Transportation Authority.

Invest in transit operations

State and federal governments should increase operations support for local agencies. In the late 1990s the United States eliminated federal operating support for urbanized areas with populations over 200,000, leaving these larger cities to find local and state funding to sustain their operations. Even for smaller communities, federal operations funding does not sustain frequent, reliable service. New funding needs to be paired with service requirements to ensure that agencies use funds to benefit current riders and increase ridership.

Example
The Stronger Communities through Better Transit Act proposes increasing federal operations funding for all transit agencies, including for cities with populations over 200,000. In 2023, the Minnesota legislature approved a 3/4 cent sales tax in the Twin Cities region to support transit operations as well as capital expenses. The state of Vermont expands its funding for transit operations by flexing its funds from FHWA to FTA, thus doubling its funds for public transit.

Create new funding streams

Local, regional, state, and federal governments can all pursue strategies to create new funding streams for diversified transportation. Without robust

federal funding for transit, states with greater transit ambitions have pursued a variety of funding mechanisms.

Example
Colorado funds transit with fees on rental cars and oil/gas extraction. Illinois pays for active transportation projects with gas tax revenues and registration fees; Washington has a cap-and-invest system, which puts a price on carbon emissions and invests the revenue in low-carbon infrastructure. In 2010, voters in the County of Marin in California approved a $10 vehicle registration fee that helps fund paratransit and transit for seniors.

Convert the highway trust fund into a diversified transportation fund

As drivers shift to electric vehicles, states will struggle to pay for programs funded by gas taxes. They can stabilize the revenue by implementing a road user fee, which would charge all vehicle users a mileage-based fee instead of a gas tax, maintaining revenue even as the percentage of electric vehicles increases[1]. State legislatures should transform highway trust funds into diversified transportation funds, placing restrictions on highway expansions.

Example
States including Nevada, Oregon, and Utah have all created voluntary or pilot programs to test or study the collection of mileage fees.

Allow use of gas tax funds for diverse transportation

Amend constitutional or legislative barriers that prevent state fuel taxes from being used for other non-highway transportation.

Example
Texas, Oregon, and Minnesota are examples of states that have constitutional restrictions on the use of fuel taxes. Section 49-g(c) of Article III of the Texas Constitution says that "Revenue transferred to the state highway fund under this subsection may be used only for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads."

[1] The road user revenue would decrease as car drivers shift to other modes and vehicle miles traveled decreases.

Strategy 2 Connect climate goals and transportation planning

Some states have passed strong greenhouse gas (GHG) emission targets. These aspirational goals often do not require specific changes in policy that would help meet the target. When it comes to transportation planning, state DOTs and MPOs have generally continued to operate without consideration for induced vehicle trips or their associated emissions. Policymakers need to adopt new rules to unify transportation and climate goals.

Enact GHG performance measures

States should set declining targets for GHG emissions associated with transportation (and/or VMT), and then measure and report progress. In 2023, the US DOT released a rule that added GHGs to the list of performance measures that state DOTs are required to track; the rule required state authorities to set declining targets to reduce GHG emissions associated with transportation and measure progress towards meeting them. Although this rule has since been overturned in federal court, states have the opportunity to voluntarily comply.

Example
States including Connecticut, Hawaii, and Washington have voluntarily enacted GHG or VMT reporting measures in recent years.

Require that projects meet VMT or GHG reduction and mitigation requirements

Each state can pass legislation requiring MPO plans to meet vehicle miles traveled or greenhouse gas reduction targets.

Timing is key:

- Apply the targets to long-term plans, short-term programming, and projects already in the planning pipeline.
- Targets should be cumulative to ensure plans address timing of projects

- Pair the targets with a moratorium on road/highway expansions to prevent a lag time between passage and implementation from causing irreversible emissions.

Here are considerations for legislation allowing mitigation in exchange for highway expansion:

- This leaves open the possibility for continued growth of road capacity and induced travel. A stronger policy framework would delay expansion until alternatives had been implemented and evaluated.
- Project sponsors must identify mitigation funding that does not steal from pre-existing funds for low carbon transportation.
- Require any needed highway capacity project to show lifecycle maintenance costs are fully accounted for before commencing the project, essentially creating a maintenance escrow account.
- Mandate that state DOTs demonstrate that the trips served by a highway capacity project would not better be served by investment in local transit, intercity transit (bus or rail), active transportation, or transportation demand management, no matter the availability of funding for said other options.

Example

In 2008, California passed an early flawed version of this concept in SB 375. In 2021 Colorado adopted a rule that requires the state DOT and its MPOs to create transportation plans that provide more mode choices and reduce emissions. If an agency finds that a project will increase emissions, it can choose mitigation measures such as construction of bike lanes, public transit, and electric vehicle chargers. In 2023, Minnesota passed a similar law to require any planned transportation investments to decrease both GHG emissions and VMT or include mitigation measures to offset projected emissions.

Strategy 3 Reorient project planning, design and permitting

Any road or transit project moves through a sequence of design, administrative, and regulatory steps to get from concept to funding to implementation. These processes continue to favor cars, whether by raising barriers to transit projects or streamlining road projects. The next evolution of the DOT must break this inertia by intentionally redesigning processes to achieve diversified transportation that gets people out of cars rather than urging people into them.

Reform state permitting

Permitting processes need to be reviewed and streamlined to accelerate zero-emissions transportation projects. This can include: reforming the environmental review process to use VMT (rather than vehicle delay) as a measure of impact; offering faster permitting routes for transit; and improving coordination between permitting agencies to speed up review.

Example

California's SB 743 required the state's environmental review of transportation projects switch from level-of-service (LOS) to VMT criteria when evaluating impact. California's AB 2503 exempts rail electrification projects from state environmental review. Montreal's Réseau express métropolitain rail project moved more efficiently through permitting and construction due to a law that granted the project a streamlined permitting process.

Modernize project planning and design guidance

Planning tools and standards need to be scrubbed of car bias. This includes eliminating LOS as a performance metric, requiring multimodal performance metrics, ditching outdated modeling techniques, and adopting a more pedestrian and bicyclist friendly Manual on Uniform Traffic Control Devices (MUTCD.)

Example
Several institutions have experimented with alternate ways of evaluating road function for people using multiple modes: Florida DOT has created a handbook for measuring multimodal level of service; San Francisco Department of Public Health created a Bicycle Environmental Quality Index and Pedestrian Environmental Quality Index that serve to evaluate streets and intersections; and in Virginia, Fairfax County's DOT created a Comprehensive Transportation Analysis tool that better accounts for multimodal travel.

Incentivize MPOs

To shift MPO infrastructure investment spending practices, state governments can use carrots by enacting incentives for MPOs—like increased funding—for jurisdictions that meet designated targets, such as: fix-it-first before adding capacity; reduce VMT; improve transit access; and improve transit service. This should be paired with transparency measures to ensure good data tracking and reporting.

Increase transparency

Increasing publicly available information can hold state DOTs and MPOs accountable for aligning transportation planning with climate, equity, safety and community goals. Foundational transparency policies make other changes possible by daylighting current practices and outcomes. Reporting could be mandatory or tied to funding. Reporting measures could include the state of good repair; excess road capacity; percentage funds going to highway and road widening; VMT trends; and GHG emissions. The US DOT should also require a standardized format for STIPs and TIPs and their associated reporting.

Example
Minnesota's Performance Measure Dashboard provides data in dozens of categories, including GHG emissions, VMT per capita, and job accessibility by transit. In 2025, California published five years of data on highway lane mile expansions, as a result of legislation SB 695 requiring greater transparency. Missouri DOT's Tracker offers another good example of transparency across a variety of measures, although does not include VMT or GHG.

Guide project planning at state level

States should be proactive about facilitating a coherent project selection process that prioritizes diverse transportation options. DOTs need to create a firewall between project selection and politics by requiring and enforcing a performance-based process that ranks projects based on project outcomes. States should pair project selection criteria with transparency measures, to ensure accountability, and improved multimodal performance metrics, to ensure road projects are not evaluated on a curve.

Example
Virginia's SMART SCALE, created through legislation in 2016, scores projects on a weighted scale that includes measures safety, congestion mitigation, accessibility, environmental quality, economic development, and land use.

Strategy 4 Level the playing field: realigning the incentives

In most US towns and cities, people are incentivized to drive due to decades of policy and funding decisions that tilt the playing field towards cars as the default transportation choice. Although the most significant incentive to drive may be the built environment, this strategy targets incentives that fall outside of the physical infrastructure. Every level of government has a responsibility to rebalance transportation options to incentivize modes that have greater social benefit and allow people the freedom to choose.

Enact local interventions to balance incentives

State governments can incentivize or require local governments to pass a range of policies to make it relatively easier to get around without a car, including eliminating parking minimums and creating low-traffic zones. State governments can encourage and incentivize these policies by issuing guidance and making grant funding contingent on having certain policies in place. State governments can also preempt local parking requirements.

Example
At least 85 cities in the United States have eliminated parking minimums for development. California eliminated parking requirements near transit statewide. The city of Boston has for decades successfully placed restrictions on vehicle traffic within the downtown commercial district known as Downtown Crossing.

Close tax loopholes and create new tax incentives to reward people using modes with lesser impact.

Important tax code improvements include 1) extending refundable tax credits to households with zero registered vehicles; 2) eliminating the mortgage interest tax deduction or revising the tax code to privilege renters and homeowners equally to reduce car-dependent urban sprawl; and 3) eliminating tax loopholes and deductions for vehicle depreciation and business use of vehicles, and eliminating the favorable treatment of SUVs and larger vehicles under the tax code.

Example
In 2022 the California legislature passed SB 457, which would have issued tax credits to car-free households. The governor vetoed it, citing financial concerns.

Pass standards and incentives to reduce vehicle size and increase safety

The federal government must regulate and incentivize safe vehicle size–not only for direct emissions reductions and road maintenance, but also to ensure a safer street environment where pedestrians and bicyclists can comfortably move around with lower risk. Smaller, lighter vehicles, along with appropriate street design and reduced vehicle speeds, will give people greater confidence to walk and bike for short trips around town.

Example
Washington D.C. began weight-based fees in 2023, with a four-tiered payment scale ranging from $72 to $500 per vehicle. The same year, California's AB 251 directed the California Transportation Commission to study the costs and benefits of a weight-based passenger vehicle fee.

Reduce non-infrastructural barriers to bike and pedestrian safety.

States should pass a package of reforms to mend the inhospitable nature of the country's roads, laws, and culture when it comes to protecting and enabling bicyclists and pedestrians. These changes would support people who currently move around without a car, and also give more people the confidence and security to use these modes. Meaningful reform would include: 1) traffic law reform to decriminalize jaywalking, increase penalties for unsafe drivers, clarify and update rules to protect people walking or biking, and give bicyclists greater flexibility; 2) reduced speed limits, including eliminating the 85th percentile rule and allowing municipalities to set lower speed limits as they see fit for safety; and 3) Department of Motor Vehicles driver education reform to protect bicyclists, pedestrians on shared streets.

Example
Madrid, Spain passed a package of bicycle laws in a 2018 ordinance that gives bikes greater prominence and protection in city traffic laws.

Strategy 5 Transform institutional structures, culture and capacity

At every level of government, there are opportunities to disrupt patterns of automobile-centric planning and road expansion by shifting staff balances, introducing new leadership and workplace accountability.

Revamp state structures & culture

Typically, a governor appoints a DOT executive and that executive is accountable only to the governor. Public pressure on the governor is the primary pathway for public accountability. As one moves down the organizational chart, staff become even less accountable to the public. Some measures that state DOTs can take to improve public oversight and ensure staff operate in line with the agency's publicly stated goals include:

- establishing public advisory boards to evaluate DOT performance in meeting its state-mandated targets can help ensure DOT leadership is in step with public opinion and community needs;
- better training and performance evaluation to move staff out of the highway-oriented habits of past decades and initiating and reinforcing practices that lead to greater community participation, people-first focus to reach diversified transportation outcomes;
- more collaboration across divisions within the DOT, so that road practitioners are not siloed from bike, pedestrian, and transit planners and vice versa.

Require MPOs to enact proportional representation

MPO decisions often undervalue input from constituents who would benefit from transit and active transportation investments. In many cases, each city in the metropolitan region gets one vote on any issue that comes before the board, with small and large cities getting equal weight. This means that residents of larger cities have less representation per capita. Because denser, bigger cities often rely on public transit more, this inequity often leads to reduced investment in public transit and increased investment in highways, increasing emissions. MPO proportional representation can be achieved

through weighted voting structures or greater board membership for larger municipalities. States should require this of their MPOs. A DOT survey published in 2017 found that only 13 percent of MPOs (36 of 276) reported having an option for a weighted voting structure, and some of those had never used it.

Example
In 2017, the California Legislature passed AB 805, which gave San Diego MPO board members the ability to invoke a weighted vote if a measure fails to pass with the tally vote.

Additional important priorities

This agenda orients toward policies that would contribute to mode shift and VMT reduction during peoples' day-to-day transportation activities. It also orients more toward policies that flow through federal and state DOTs.

Numerous other policies can help offer people better options to move around without a car, whether by improving street safety, increasing transit efficacy and ridership, or building more compact walkable cities. Although the topics below are not included in the above agenda, they are also worthy of attention:

- Providing funding and policy support to increase intercity travel options, including intercity rail and bus; this will include addressing problems with Class I freight rail operators that interfere with passenger rail service.
- Expanding support for rural transit and public ride-sharing programs.
- Supporting transit safety ambassadors, the return of small-scale commerce at transit stops, and other nonpolicing methods for improving safety onboard transit vehicles and at transit stations.
- Supporting the transit workforce:
    - investing in workforce development to increase transit workers, active transportation maintenance, and planners
    - ensuring good pay, benefits, and working conditions along with collective bargaining
    - prioritizing and funding worker safety measures

- Zoning and land use (facilitating built environments that increase transportation options)
    - transportation–land use coordination; land use policy that favors density and mixed uses
    - parking and land use efficiency, including using publicly owned land at transit stations to build social housing
    - grants for localities contingent on updated zoning to allow multifamily dwellings near to transit
    - accessory dwelling units permitting reform
    - by right zoning