



State Budget Proposals Missed the Opportunity to Modernize Florida's Transportation System, Limiting Florida's Economic Competitiveness and Growth

Florida legislative budget proposals increase funding for transportation services marginally, but reduce funding for some core transportation categories. The current level of funding for transportation services is insufficient to meet growing state needs. Funding limitations impede state economic competitiveness and growth by making it harder for businesses, workers and consumers to reach one another. Lawmakers should redouble efforts to modernize the state's transportation system to promote economic growth.

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The state budget proposals by the Florida House and Senate would increase funding for the state transportation system by an insignificant amount. Proposed funding for transportation services would increase between 1.1 percent and 1.4 percent over current-year funding, for a total of \$10.8 billion. While total funding would increase marginally, funding for some core transportation activities would be significantly reduced. For example:

- Both budget proposals reduce funding for bridge construction by almost 60 percent, to a total of \$300 million.
- The House budget reduces funding for Florida's Railway System by almost a third, to a total of \$316 million.
- The Senate proposed budget reduces funding for the Small County Resurface Assistance Program (SCRAP) by almost a third, to a total of \$30 million.

In failing to adequately fund Florida's transportation system, lawmakers are limiting location and relocation decisions for businesses and workers. Moreover, reducing funding for critical transportation activities such as bridge construction, railway development and road resurfacing undermines the goal of developing an efficient multimodal transportation system needed to meet growing state needs.

A modern transportation system is key to Florida's economic competitiveness

Florida's transportation system is the backbone of the economy. The state network of highways, roads, seaports, airports and transit play a vital role in making Florida an attractive destination for tourists, businesses, conferences and prospective residents. More importantly, the state transportation system is linked to the overall competitiveness of Florida businesses and workers and is, therefore, key to job creation and economic growth.

Florida's businesses depend on the state transportation system to deliver goods from manufacturing sites and warehouses to consumers. A poor and inefficient transportation system increases the cost of doing business, reduces overall competitiveness and increases work-related transportation expenses for workers. Poor infrastructure costs American households an average of \$9 per day, dollars that are taken out of families' pockets to deal with inefficiencies and inconveniences.¹ Currently, in cities like Miami and Orlando, the cost of congestion exceeds \$1,000 per year per driver.²

Modernizing Florida's transportation system would benefit Florida's businesses, workers and the state economy. A modern transportation system means shorter delivery time, improved supply chain management, lower overall cost of production, and potentially lower prices and greater customer satisfaction, all of which are important for a company's profitability. Businesses could use savings from lower transportation costs to make new investments in expansion, pay workers higher wages, hire more workers, invest in research and development or invest in new ventures.

For workers, lower transportation costs mean lower work-related expenses and access to better paying jobs. Roughly 69 percent of jobs are cut off from the metro area workforce in cities like Miami, Orlando and Jacksonville. These jobs are not accessible by public transportation in 90 minutes or less.³ Lower work-related expenses mean workers can invest more in job training or higher education, further increasing their productivity and prospects of landing better-paying jobs. They can also invest in better health care services or quality housing.

The current level of public investment in Florida's transportation system is insufficient to meet growing state needs

Florida's growing population reinforces the need for investing in a multimodal transportation system to more efficiently accommodate the mobility needs of businesses and residents. Many urban and inter-regional highway corridors are already heavily congested during peak periods, or are expected to be by 2025, even after planned capacity improvements are made, according to a [report](#) by the Florida Department of Transportation.⁴ Likewise, more than 30 percent of the state's airports are projected to be operating at more than 80 percent of capacity, the point at which additional capacity should be under construction.

Currently, Florida spending on the state transportation system is less than required to meet state needs and ranks 23rd in the nation.⁵ Particularly, investments in roads have not kept pace with growing demand. The following data is from the most recent report of the American Society of Civil Engineers⁶:

Florida's Roads

- More than half of Florida's total traffic relies on the state highway system, which represents only 10 percent of road miles in Florida.
- The daily vehicle miles traveled increased by 84 percent since 1984, while the number of highway system miles increased by 25 percent.

Florida's Bridges

- About 15 percent of Florida's bridges are more than 50 years old.
- 202 bridges are classified as structurally deficient.
- About 8.5 percent were either weight posted or closed as of January 2015.

Florida's Aviation

- Florida airport's funding request to improve technology and keep pace with growing demands totaled \$1.1 billion, 70 percent more than available state funds.

Florida's Transit

- Only 2 percent of commutes to work were made by public transit, indicating a lack of opportunity and quality.
- An additional \$1.3 billion is needed to develop and connect its transit network to better service Florida businesses and workers.

Public investment in Florida's transportation system is a proven driver of economic competitiveness and growth

Florida has invested \$850 million in improving port capacity and operational infrastructure in its 15 seaports over the last 5 years.⁷ As a result, the state's overall seaport competitiveness has improved and is capturing a larger share of international trade and related commercial activities.⁸ Seven of Florida's ports now rank in the top 50 NAFTA containers traffic ports with the highest earnings.⁹ Public investment in the state transportation system produces a good

return to the state, both in terms of tax revenues and impact on the state economy, based on research by the Office of Economic and Demographic Research.¹⁰

Every dollar invested in the state transportation system in 2008 returns almost \$5 in user benefits and additional productivity for Florida's economy by 2038, according to a [study](#) conducted by the Florida Department of Transportation.¹¹ Investment in the state transportation system also returns thousands of jobs in the short and longer term, significant payoffs from rail, seaport and transit improvement and increased capacity and services in the transportation sector, concluded the [study](#).

Conclusion and Recommendation

State proposed budgets miss the opportunity to modernize Florida's transportation system by underfunding transportation services compared with the level of state need. While the overall budget for transportation services increased marginally, funding for core transportation activities has been significantly reduced. Insufficient funding for transportation services undermines the goal of developing a modern multimodal transportation system to meet growing needs of Florida businesses and residents. Further, insufficient funding for transportation services limits state economic competitiveness and growth.

Recognizing the importance of the state transportation system to Florida's businesses, workers, and economy, lawmakers should redouble efforts to modernize the state's transportation system. Modernizing the state's transportation system is necessary to accommodate the growing mobility needs of Florida's businesses and residents. A modern multimodal transportation system lowers the cost of doing business giving Florida's businesses and workers a competitive advantage in a highly competitive and globalized marketplace.

Notes

¹ American Society of Civil Engineers, Infrastructure Report Card, [2016 Report Card for Florida's Infrastructure](#). p. 1

² Ibid.

³ Tomer, Aide (2011): [Transit Access and Zero-Vehicle Households](#), Brookings Institute.p9-11.

⁴ Florida Department of Transportation, [The Florida Railway System Plan](#), 2010. p. ES-2.

⁵ Florida Policy Institute, [Florida Report Card](#).

⁶ Supra note 1. p. 2.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Office of Economic and Demographic Research, [Florida's Financially-Based Economic Development Tools and Return on Investment Presentation to the Florida Legislature](#), House Careers and Competition Subcommittee meeting held on January 11, 2017. p. 12.

¹¹ Florida Department of Transportation, [Economic Impact of Florida's Transportation Investment, A Macroeconomic Analysis](#). p. 1&2.