



Civic Caucus

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Transportation Amendment Position Report

Proposed Constitutional Amendment on Transportation

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PART I: Civic Caucus report on constitutional amendment

A. Introduction and Summary

Minnesota faces a serious transportation problem, particularly with the congestion in the metropolitan area, which if not addressed could have an extraordinarily adverse effect on the Minnesota economy.

Unfortunately, addressing this problem is very expensive and will require substantially more revenue than offered by a proposed constitutional amendment. As long ago as 2003 the Civic Caucus suggested how these revenue needs could be achieved. See Part II for a summary of those recommendations.

The amendment dedicates some additional funds for transportation and transit by taking those funds from other needs such as education, health, and social services, but it doesn't offer any net increase in revenue. The amendment if passed would produce more pressure on the state's general fund, already stressed by factors such as pending cutbacks in federal funds.

Further, it is a serious mistake to replace the Legislature's authority with a permanent constitutional arrangement that can't be modified as conditions change. It is fundamentally wrong to endeavor to accomplish by constitutional amendment what the Legislature itself should accomplish by statute. This is no idle philosophical concept. To permit a constitutional amendment in this case will open Pandora's Box for further inappropriate use of constitutional amendments.

1. Vote no— Minnesota voters should vote "no" on November 7th on the constitutional amendment on transit and highways.

2. Leadership by Governor and Legislature needed— Despite political, geographical and philosophical differences Minnesota's lawmakers have great potential for leadership. Whether the amendment passes or fails, it is critical that they exhibit that leadership on transportation in the 2007 session.

They can rectify the situation with a more effective, speedier, focused, and comprehensive approach than would ever be possible with the amendment. Immediately after the fall elections, the Governor and Legislature should prepare plans for legislative action on transportation. See Section J for details.

3. Extensive input obtained— In reaching its recommendation to oppose the proposed transportation constitutional amendment, the Civic Caucus interviewed 26 thought leaders, including both present and former public officials, received written comments from another 22, and did considerable research of its own in understanding the magnitude of the financial need and the potential revenue provided by various sources of funding.

4. Experience with previous report— The Civic Caucus has devoted major time to the issue of metropolitan transportation challenges and solutions, including its 2003 report. We understand transportation, and we have concluded that the need for significant increased funding is essential, to a degree which dwarfs the revenue that would be raised by the amendment.

5. Constitutional option apparently is no one's first choice— Among the 48 thought leaders who gave us the benefit of their views plus more than 50 who responded to our questionnaire, not one expressed the view that the route of the constitutional amendment was the preferred way to resolve the challenge. They were driven to this vehicle out of sheer frustration at their inability to secure additional resources through the normal executive/legislative process.

6. Analysis of political process is upcoming— This degree of frustration with our normal executive/legislative process has so concerned the Civic Caucus that we are now committed to making a comprehensive assessment of polarization and paralysis our next upcoming initiative.

Minnesota formerly led the nation in finding innovative and leading edge solutions to public policy problems, such as its improvements in the state-local fiscal system. We simply must restore Minnesota to this position of leadership. We can and must once again be a shining light to others in making our political process work.

B. Persons supporting the Civic Caucus recommendations- This report was prepared by the Civic Caucus. See section H for background on the Civic Caucus. Core participants in the Civic Caucus prepared the report, with extensive comments and suggestions from other participants who were active via email. The following persons agreed to be listed as supporting the Civic Caucus recommendations: John Adams, Jack Anderson, Wendell Anderson, Ray Ayotte, Michael C. Bingham, John Brandl, Lee Canning, Arne H. Carlson, Charles and Audrey Clay, Sheldon Clay, Steve Clay, Chuck Denny, Richard Dietz, Dan Dorman, Dick FitzGerald, Don Fraser, Bill Frenzel, Paul Gilje, Peter Heegaard, Roger Heegaard, Jim Hetland, Verne C. Johnson, A. M. (Sandy) Keith, Jay Kiedrowski, Sheila Kiscaden, Joel Kramer, Sue Larson, Todd Lefko, Charles Lutz, Richard McGuire, John Moaty, Dave Nimmer, John Nowicki, Jim Olson, Dan Peterson, George Pillsbury, John Rollwagen, Steve Rothschild, Royce Sanner, Sue St. Germain, Jon Schroeder, David Schultz, Clarence Shallbetter, Jerry Simonson, Wy Spano, Archibald Spencer, David Strom, Jim Weaver, Betty Wheelock, and Bob White.

C. Explanation of constitutional amendment on transit and highways

1. Selected revenue would be dedicated by the constitution to transit and highways- Minnesota voters on November 7 will be asked to approve a state constitutional amendment to dedicate permanently all revenue from the motor vehicle sales tax (MVST) to transit and highways. MVST revenue is produced by the general state sales tax imposed on the sale of new and used cars, trucks and other motor vehicles. Currently, the state gasoline tax and the state motor vehicle license fees are dedicated by the constitution only to highways. A majority of all voters at the polls must vote yes for the amendment to pass. Consequently, failure by a voter to vote on the amendment counts the same as a no vote.

2. Exact language of the amendment— Here is the language of the proposed amendment: An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, two sections will be added to article XIV to read:

"Sec. 12. Beginning with the fiscal year starting July 1, 2007, 63.75 percent of the revenue from a tax imposed by the state on the sale of a new or used motor vehicles must be apportioned for transportation purposes described in section 13, then the revenue apportioned for transportation purposes must be increased by ten percent for each subsequent fiscal year through June 30, 2011, and then the revenue must be apportioned 100 percent for transportation purposes after June 30, 2011.

Sec. 13. The revenue apportioned in section 12 must be allocated for the following transportation purposes: not more than 60 percent must be deposited in the highway user tax distribution fund, and not less than 40 percent must be deposited in a fund dedicated solely to public transit assistance as defined by law."

Here is the language that will appear on the ballot on November 7, 2006: "Shall the Minnesota Constitution be amended to dedicate revenue from a tax on the sale of new and used motor vehicles over a five-year period, so that after June 30, 2011, all of the revenue is dedicated at least 40 percent for public transit assistance and not more than 60 percent for highway purposes?"

3. Unusual circumstances have brought the amendment to the ballot— The amendment was first proposed by the Governor in 2005 in a comprehensive transportation funding package. The Governor

and Legislature were unable to reach consensus. Late in the 2005 session the amendment was added on the floor of the House to a comprehensive transportation bill that was then passed. The Senate adopted the House bill without change. The bill was vetoed by the Governor. To the surprise of many, including the bill's author, the amendment was the only section of the bill to survive the veto. Constitutional amendments pass directly from the Legislature to the voters, without going through the Governor. Because of unclear language in the amendment several efforts were made, unsuccessfully, to modify the amendment's language during the 2006 session. Consequently, the amendment is before the voters in exactly the same form as adopted in 2005.

4. The amendment would permanently transfer from the state's general fund about \$300 million more annually— When fully phased in after five years, the amendment would increase income for transit and highways by about \$300 million a year. The Legislature by statute already dedicates about \$300 million of MVST to highways and transit annually. Any balance remains in the state general fund and is used for other budgetary purposes. Should the amendment pass the total amount transferred would be about \$600 million a year (the \$300 million already transferred plus another \$300 million).

5. Various transportation jurisdictions would share the dedicated MVST revenue— The largest share would be for transit, at least 40 percent of the revenue. The Legislature could vote to increase transit's share beyond 40 percent, but it would be prohibited from giving transit any smaller share. The Legislature by statute would divide the transit funds between metro area and non-metro area transit. The balance, up to 60 percent, would be shared by three different road-building jurisdictions, state, county, and municipal. The road-building jurisdictions would receive their shares of MVST in the same manner as they already share the state gasoline tax and motor vehicle license fees: 62 percent, state; 29 percent, counties, and 9 percent, municipal.

6. Annual unmet dollar needs for highways and transit in Minnesota are estimated at \$1.7 billion per year for each of the next 23 years— The amendment is an effort to begin to narrow the gap between needs and available revenues. State highways account for the largest portion of this gap, about 58 percent, or \$1 billion annually; county and municipal highways account for \$400 million of the annual gap, and transit, \$300 million, according to the Minnesota Department of Transportation (MnDOT).

After a five-year phase-in, transit is guaranteed at least \$120 million more annually from the amendment, representing about 40 percent of transit's unmet needs. About \$110 million of the \$120 million might be reserved for metro area transit. Counties and cities would receive up to \$68 million annually, about 17 percent of their unmet needs, and state highways, statewide, up to \$112 million, about 11 percent of state highways' unmet needs. About one half of the statewide amount would be available for state highways in the metro area, including freeways, or up to \$56 million annually after five years.

D. Major motivating forces behind the amendment— The following reasons for more transportation funding were cited by thought leaders who met with the Civic Caucus. In addition, supplemental information was provided by various transportation groups.

1. Congestion in the Twin Cities metropolitan area produces travel delay and higher

expenses— In 2003, congestion caused 57.5 million hours of travel delay and 38 million gallons of extra fuel in the Twin Cities metropolitan area, at a total cost of \$975 million, according to the 2005 Urban Mobility report of the Texas Transportation Institute.

2. Congestion is greater than it was a quarter-century ago— In 1982 the metro area ranked 64th among 85 metropolitan areas with only three hours of delay annually per peak traveler, according to the Texas Transportation Institute. By 2003, the area moved up to 24th place with 43 hours of delay annually.

3. State highways need to be improved— The condition of Minnesota's roads ranks higher than the national average and above that of Iowa and Wisconsin. Nevertheless, in 2005, 66.8 percent of major state highway mileage ranked as "good" or "very good", down from 74 percent in 1996, according to MnDOT. During this same period the mileage of roads classified as "poor" increased from .7 percent to 2.6 percent.

4. Significant new transit investments won't be possible without more funding for both capital improvements and operating deficits — The Metropolitan Council's 2030 Transportation Policy Plan calls for five additional bus and rail transitways by 2020, with planning on three more that would be built by 2030. Transit investments are needed to serve growing populations, reduce highway congestion, provide alternatives to driving, provide access for persons needing to get to jobs, and influence development. Such improvements won't be possible without a new revenue source, according to the Council's plan. In addition more funds are needed to pay for the 65-70% of the cost of operating transit, the difference between farebox revenue and operating costs.

5. Transportation is key to a strong economy— A good transportation system is critical to effective movement of goods and people, which in turn is essential for a strong economy. Between 1980 and 1991, almost 20 percent of increase in the nation's economic productivity was attributable to transportation improvements, according to the American Association of Highway and Transportation Officials.

E. The case for the amendment as made by proponents

1. The need for transportation funding is enormous— The Minnesota Department of Transportation estimates unfunded needs for highways and transit are between \$1.7 billion and \$2.4 billion annually, substantially higher than current expenditures. Minnesota's economy is dependent upon effective movement of people and goods in the metro area and throughout the state.

2. MVST is the only option at this time— The Governor and Legislature haven't been able to agree on anything else. A bill including a gasoline tax and other transportation revenue measures was vetoed by the Governor. The MVST amendment was part of the same bill but survived because constitutional amendments are immune to a Governor's veto.

3. The amendment is merely an extension of a long-established practice of constitutional dedication of taxes for transportation— State gasoline taxes have been constitutionally dedicated in Minnesota since 1924. Later vehicle license fees were added. The sales tax on the purchase of

new and used cars and trucks logically belongs in the same category. Many persons probably think that's already the case.

The Legislature first dedicated MVST to transportation by law in the early 70s. Currently slightly more than one-half of MVST is so dedicated by law. While statutory dedication is not permanent as is constitutional dedication, such action indicates the Legislature has felt a portion of MVST should be devoted to transportation. Many other states constitutionally dedicate highway user taxes to transportation.

4. Adverse impact on the general fund is slight— While MVST will decrease general revenue funds slightly, the amount will be phased in over a five-year period. Already-prepared revenue projections for the next biennium indicate adequate dollars through inflation will be available in the general fund without MVST.

5. The significance of a yes vote on the amendment goes beyond MVST— The November vote can be a significant momentum-builder for the interests of transportation in Minnesota. It will be a clear statement to the Legislature that citizens of the state support higher investments for transportation. MVST itself represents a modest start, but addressing unmet transportation needs requires substantial new revenue.

6. The amendment places transit on more of an equal footing with highways— Highways have had a constitutionally dedicated source of funding since 1924, when the gasoline tax was first approved by the voters. Transit doesn't share in existing constitutionally-dedicated sources. The amendment would give transit a share. Without assured revenue, transit must compete for general fund dollars to operate the transit system and make needed capital improvements.

7. The amendment provides longer-term funding assurance for major transportation projects— The Federal government has a one year budget cycle, except for transportation which has a six year program budget. The planning and implementation cycle for roads, bridges and transit requires more strategic thinking and a multi year budget approach. Longer term-funding such as that provided by the amendment gives the state better opportunity to plan projects that extend over many years.

F. The case against the amendment as made by opponents

1. The amendment offers favored treatment to one governmental function, transportation, and would stimulate similar amendments for other services— The amendment would give transportation a higher priority in state funding than education, health care, and other state services. It would reduce the state's general fund by about \$300 million, without a plan for replacement other than hoped-for natural growth in general revenues.

Some supporters of the amendment say that they don't generally favor placing specific revenue-spending decisions in the constitution. But, because of the need, they will make an exception for transportation. But it won't be one exception, only. It will be an open invitation to extend the same constitutional protection for other functions.

Advocates for hunting and fishing and clean water already are seeking revenue protection by constitutional amendment. If the transportation amendment is adopted, the Governor and Legislature would hardly have any reason to deny proposing such amendments for other functions.

2. The amendment diverts attention from the real issue and might even lessen its urgency—

The real transportation issue for the Governor and Legislature is to provide significant additional funding for highways and transit in a comprehensive transportation plan in 2007. The urgency is great whether the amendment passes or not. Moreover, legislative action in 2007 will produce results, sooner, than the amendment, with its five-year phase-in. A serious risk is present that elected officials and the public will think that approval of the amendment solves the need for funds.

Freeway congestion is a critical problem in Minnesota. But voters should not be deluded into thinking that MVST will provide adequate funds for fixing and enlarging freeways. In fact, the amount of new money for state highways represents, at most, a down payment of barely 11 percent of annual unmet needs for state highways. In the case of transit, much of the funds likely would be used to pay for its operating deficit, rather than—as anticipated—for new buses and LRT.

3. The amendment will restrict Governor-Legislature flexibility in coming years— Now the

Governor and Legislature modify revenue raising and revenue distribution every budget session, in response to changing needs among all competing services. But once adopted, provisions of a constitutional amendment remain the same from year to year. If conditions change, repeal will only be possible if the Legislature submits and the voters approve another constitutional amendment, an immensely difficult process.

4. **The amendment was tacked on during House floor debate—** The Governor had proposed the amendment and it had been extensively discussed in committee. But the amendment is before the voters almost by accident. It was a small piece of a major transportation bill, tacked on during House floor debate late in the session. The entire bill was subsequently vetoed by the Governor in 2005. Most people, including the bill's author, thought the amendment was vetoed, too. But surprisingly a Governor's veto doesn't apply to a constitutional amendment.

5. The amendment illustrates serious shortcomings in the governmental process— The

amendment never should have been proposed. The real reason for its being on the ballot is that the Governor and Legislature are polarized and the law-making process is becoming paralyzed. In desperation they have found a way to hand the issue over to the voters. The governmental process needs to be fixed so that lawmakers can reach consensus and not simply refer controversial questions back to the people who elected them.

6. The amendment doesn't belong in the state constitution— The constitution should detail the

organization of Minnesota's government and the rights of its citizens. It should not be cluttered with complicated tax systems that a Legislature itself should be enacting. Moreover, with their inflexibility, existing revenue provisions in the constitution limit the Legislature's options. Since the mid-1950s, for example, all revenue from gasoline taxes and motor vehicle license fees have been distributed by the same constitutionally-prescribed formula: 62 percent to state highways; 29 percent to counties, and 9 percent to cities. Revenue must be distributed by that formula, regardless of whether some types of

highways need more resources than others. Because of the constitutional provisions, none of these funds may be appropriated to transit, regardless of the need for transit funding.

7. The amendment tries to fill one hole in the budget by creating another— The amendment illustrates the fragmented approach that the Legislature is taking to solving a problem. It is proposing an amendment that would create a hole in the general fund. Under the amendment MVST dollars would be removed from the general fund and given to transportation, with no provision made for filling the resulting hole in the general fund. Filling that hole becomes someone else's problem.

8. The amendment undermines representative democracy— The funding of transportation is immensely complicated, requiring study, analysis, leadership, and bargaining among all affected groups. Such activity normally occurs in the regular law-making process. The transportation amendment is driven by interest groups working for their own benefit. Proponents are able to obtain large contributions from big money interests that stand to benefit from the amendments.

G. The Civic Caucus educational process

1. Respected past and present leaders of state and local government and the private sector have met with the Caucus and shared their views on the amendment. They included: Peter Bell, chair, Metropolitan Council; Holly Biron, lobbyist, Coalition of Greater Minnesota Cities; Bill Blazar, senior vice president, Minnesota Chamber of Commerce; Jack Davies, former judge and former state senator; Bob DeBoer, director of policy development, Citizens League; State Rep. Ron Erhardt, chair, House Transportation Policy Committee; Don Fraser, former member of Congress, former state legislator, former mayor of Minneapolis; Tim Flaherty, lobbyist, Coalition of Greater Minnesota Cities; John Gunyou, city manager, city of Minnetonka, former state commissioner of finance; Curt Johnson, former chair, Metropolitan Council; Sean Kershaw, executive director, Citizens League; Joel Kramer, executive director, Growth & Justice; Dee Long, former Speaker, Minnesota House of Representatives; State Rep. Mary Liz Holberg, chair, House Transportation Finance Committee; Rick Krueger, executive director, Minnesota Transportation Alliance; Dan McElroy, senior advisor on innovation, office of Governor Tim Pawlenty; Roger Moe, former majority leader, Minnesota Senate; Mary Jane Morrison, professor, Hamline University School of Law; Tim Penny, former member of Congress, former state legislator; State Senator Ann Rest, assistant majority leader, Minnesota Senate; Eric Rudeen, project specialist, Government Affairs, MnDOT; David Schultz, professor, Graduate School of Management, Hamline University; Tom Swain, civic leader and retired business executive; John Walz, legislative fiscal analyst, Minnesota House of Representatives; Robert White, retired editor, editorial pages, StarTribune, and David Zentner, environmental leader

Detailed summaries of these meetings— often four or more pages single-spaced— were circulated among some 400 persons receiving regular emails from the Caucus. Summaries are available by email, civiccaucus@comcast.net.

2. Others shared their feelings on the amendment via emails commenting on a preliminary list of pros and cons on the amendment. They included: Ray Ayotte; John Brandl, former state legislator; Arne H. Carlson, former Governor; Austin Chapman; Leslie Davis, candidate for Governor; Kent Eklund; State Rep. Dan Dorman; Roger Heegaard; State Rep. Melissa Hortman; LaVonne

Johnson; Jay Kiedrowski; State Rep. Tina Liebling; Leonard Nadasdy; John Nowicki; George Pillsbury, former state legislator; Al Quie, former member of Congress, former Governor, former state legislator; Erik Reseland, legislative assistant, State Sen. Leo Foley; Royce Sanner; Wy Spano; Sue St. Germain; James Weaver, and Betty Wheelock.

3. A questionnaire was also submitted to electronic participants. Among findings:

- * No support, in principle, for using the state constitution for budgeting allocation purposes, but virtually a tie on a yes-no vote on the amendment.
- * Substantial support for a gas tax increase. Mixed support for a sales tax increase for transit.
- * Strong agreement on real needs for both highways and transit.

I. Major conclusions of the Civic Caucus on the amendment

1. The amendment is not a cure for transportation needs— The amendment doesn't add any new money. It transfers money from the general fund. The Legislature by statute already transfers about \$300 million a year from the general fund. When phased-in after five years, the amendment transfers \$300 million more each year from the general fund to transit and highways, compared to an urgent need throughout the state of more than five times that amount each year. Based on advertising, the amendment is being sold as a cure to congestion. Should the amendment pass, the same urgent need would remain.

2. The need should be met in the normal lawmaking process— The constitutional route is too little, too late. It is inexcusable to shift the decision to the voters, particularly when the decision will barely make a dent in the problem.

3. The amendment moves the state in the wrong direction— The amendment creates more dedicated revenue "silos" when there ought to be fewer.

4. Too many budgetary and monetary specifics are already in Minnesota's state constitution— The state already is saddled with inflexible transportation funding requirements in the constitution. The constitution dedicates all revenue from the state's gasoline tax and motor vehicle license fees to highways and has required—for more than 50 years—that the revenue be distributed in a specific manner: 62 percent, state; 29 percent, counties, and 9 percent, cities. The Legislature is unable to modify these requirements as needs change. Adding the sales tax on motor vehicles as protected revenue only magnifies the problem.

5. If the amendment is adopted, similar proposals will follow— Next will be an environmental amendment, then health care, then education and so on.. Such amendments are allowing public officials to buck tough decisions to the voters, even though the election process should place the obligation on public officials.

6. Minnesota's lawmaking process is demonstrating polarization and paralysis- - Contrary to earlier years when Minnesota invariably led other states in solving problems, the state is lagging, looking for other states to lead the way. This is not like Minnesota. Passage of the amendment would contribute further evidence of legislative polarization and paralysis.

J. Major recommendations of the Civic Caucus on the amendment

1. Leadership by the Governor- -Irrespective of the amendment's outcome, the transportation issue requires immediate priority attention by the Governor, who should propose a comprehensive plan to achieve major progress early in the 2007 session. Such a plan should include:

- Targeting transit and highway capital improvements to ease congestion in the 12-18 counties in and near the Twin Cities metro area, the most urgent need.
- Rebuilding roads and improving transit statewide.
- Making structural changes that bring decision-making for the larger metropolitan area under one roof.
- Investing hundreds of millions of dollars, paid for primarily in the geographic areas that benefit, from one transit-highways fund.
- Providing access for persons without cars. Persons without cars need to travel the same places as everyone else, and most of their trips—as well as everyone else's—can't be shoe-horned into fixed-guideway corridors.
- Recognizing the dispersal of homes and jobs—Because of the wide dispersal of homes and jobs in the 15-18 county commuter area of the Twin Cities, it is critical that park-and-ride lots and ramps, with small vehicle connectors to these lots and ramps, be an integral part of any transportation plan for the region.
- Exploring innovations such as tolls that vary by time of day and intensity of congestion, while assuring mobility of lower-income persons to get to their jobs.
- Utilizing various incentives that with employer assistance encourage commuters to use alternatives to driving alone for a major portion of their work trip.

2. Leadership by the Legislature— The Legislature should not simply await the Governor's plan. Each legislator should commit to working toward an adequate solution rather than contributing further to the degrees of polarization and paralysis, whether the result of DFL-GOP, rural-urban, or transit-roads differences. Immediately following the November elections, House and Senate leaders should create a bipartisan joint commission to prepare a transportation plan for 2007. Thus the Legislature would be moving ahead in a positive manner to find a solution. The Legislature's plan ought to cover the same points listed above for the Governor's plan.

3. Vote no. The proposed amendment is wholly incapable of meeting the need. Lawmakers face justifiable criticism for resorting to constitutional means to avoid responsibility. And the amendment is a signal for other functions to seek constitutional protection. We therefore urge a no vote on the proposed amendment.

PART II: Conclusions and recommendations from the Civic Caucus 2003 report

The Caucus issued a 19-page report on transportation in 2003. These conclusions and recommendations are reproduced here as a foundation for approaching the issues today. We submit them for two important purposes: (a) to serve as guiding principles which ought to be considered in developing legislative solutions, and (b) to contribute to understanding as to the length and depth of thought over several years the Civic Caucus has been giving to the vital transportation issue.

A. Major conclusions in 2003 report

1. State action essential— Only the state can untangle much of the congestion the metro region is experiencing, with nearly 70% of the state's population soon to be within these 15 county metropolitan boundaries.

2. Governor's leadership essential— Reducing congestion requires focusing responsibility for leadership in one elected state official, the Governor.

3. Broaden the state's role— The state's role must expand from only major roadways to all major components of congestion management including the location and level of transportation/transit services.

4. Increase vehicle occupancy— The state cannot rely only on additions to roadway capacity. Steps need to be taken to build the ridesharing and express bus service to increase vehicle occupancy as one of the congestion reduction objectives.

5. Those who benefit should pay— Transportation is a function that can and should pay for itself from increases in user fees and by revenue from those who benefit from the investments.

B. Major recommendations in 2003 report

1. Increase the state gas tax by six to eight cents per gallon.

2. Increase the federal gas tax by three to four cents per gallon. Such increased revenue would be allocated back to states based on the amount collected and with a reward to states that are taking the initiative to address congestion with their own resources or who are using new user and benefit financing arrangements.

3. Increase vehicle license fees— Increase vehicle license fees to make up for a small portion of the revenue lost from reductions made in 2001.

- 4. Impose congestion fees**— Adopt a system of user fees based on the level of congestion during the peak period for travel by drive-alone autos and trucks on super lanes developed for the use of buses, vanpools and certified carpools.
- 5. Enact land benefit charges**— Adopt a new set of benefit charges based on a percentage of the land value increase realized by landowners and of increased taxes obtained by local government from new development as a consequence of access around freeway interchanges. A similar set of benefit charges should also apply to development that occurs next to any fixed guideway transit stops.
- 6. Repay borrowed funds with new revenue**— Use borrowed funds for emergencies and to obtain a large amount of capital for a speedup of congestion-relieving transit and highway projects. This borrowing, however, should be tied to increases in new forms of financing, so that existing sources aren't depleted.
- 7. Enact structural changes for transportation decision-making in the greater metro area**— Bring decision-making for transportation for the larger metropolitan area under one roof, utilizing one transit-highways fund.