

Changing Lanes: Investing in Multimodal Transportation Options Will Improve Outcomes for Tennesseans

Tennessee is a vibrant and growing state, with a population that topped 7 million people for the first time in 2022. With this growth, we face the challenge of funding both an efficient transportation system for an increasing population and providing safe and accessible transportation options for all Tennesseans.

Tennesseans are driving more than in the past, but our current transportation funding sources are not generating sufficient revenue to keep pace with this growth or to expand available transportation options.ⁱ Additional funding – and rethinking transportation investments to improve multimodal options – will help plug this gap and improve health, safety, and financial outcomes for Tennessee families.

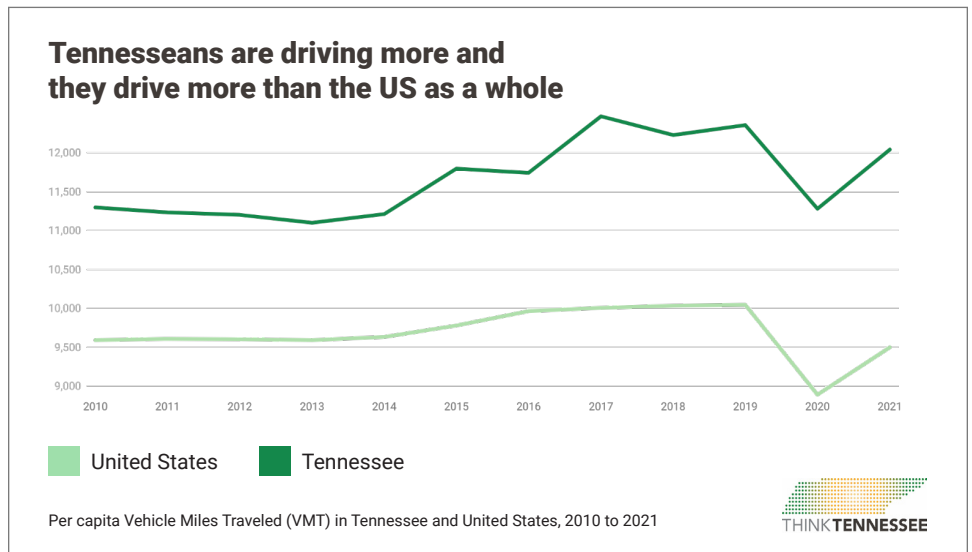
Two new opportunities provide a once-in-a-generation opportunity to rethink how we fund and build transportation infrastructure to achieve better outcomes for Tennesseans.



Governor Bill Lee's **Transportation Modernization Act (TMA)** enables the state to use new project delivery methods and generate additional revenue for transportation improvements.ⁱⁱ



The historic federal **Infrastructure Investment and Jobs Act (IIJA)** and the **Inflation Reduction Act (IRA)** will bring an estimated **\$7.1 billion** in federal formula funding to Tennessee over five years, with the potential for additional funding through a number of competitive grants.ⁱⁱⁱ



KEY TAKEAWAYS

- 1. Tennessee has one of the highest per capita vehicle miles traveled (VMT) in the country.**
- 2. Tennessee spends less than most other states on transportation infrastructure per capita and less on transportation options other than driving.**
- 3. None of Tennessee's major cities have dedicated funding for transit. Nashville and Memphis are two of the four largest metro regions in the country without dedicated funding.**
- 4. Tennesseans have few transportation options other than driving.**
- 5. The lack of transportation options is leading to negative outcomes for Tennesseans.**

This policy brief is a summary of the findings and recommendations outlined in ThinkTennessee's report: *State of our State: Transportation and Mobility*. To view the full report, visit our website.

Key Takeaways

1. Tennessee has one of the highest per capita vehicle miles traveled (VMT) in the country.



Tennesseans drive more than our peers. Historically, Tennessee has invested heavily in road and highway infrastructure and underinvested in sidewalk networks and transit systems. As a result, Tennesseans drive more than residents of other states.



In 2021, Tennessee ranked 8th nationally in vehicle miles traveled per capita.^{iv} The state continues to invest heavily in road and highway infrastructure, with more than 6% of the over 96,000 miles of roads in the state built since 2005 – the 13th highest growth rate of road miles nationally.^v As a result, VMT on Tennessee roads is increasing – it is 17% higher than in 2005.

2. Tennessee spends less than most other states on transportation infrastructure per capita and less on transportation options other than driving.



Tennessee spends fewer state and local dollars on transportation than most other states.^{vi} Tennessee uses a flat-rate gas tax to fund transportation and does not use debt financing for projects, relying on a pay-as-you-go funding model. As a result, Tennessee has both the second lowest rate of state and local spending per capita and per VMT in the nation.



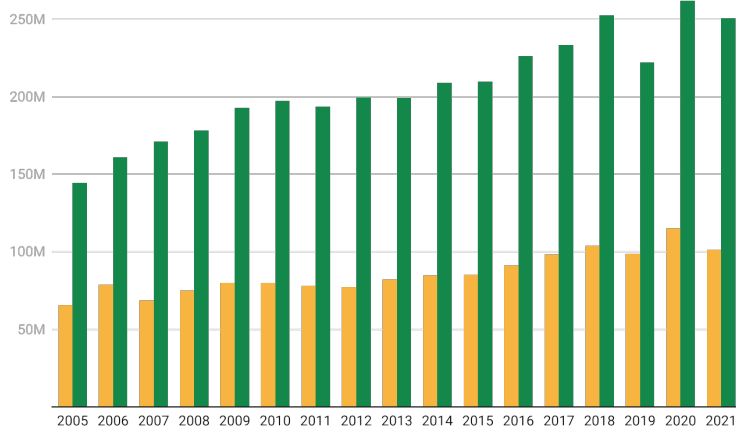
Tennessee contributes 9% fewer dollars to its transit agencies than other states, and none of Tennessee's major cities have adopted dedicated funding for transit.^{vii} Tennessee ranks 39th in transit performance nationally.^{viii}

Tennessee is not receiving its fair share of federal transportation dollars for its transportation system.

Tennessee is among the **top 10 states** receiving the most federal dollars for roads and highways but ranks among the **bottom 10 states** receiving transit and multimodal federal dollars.



Tennessee receives significantly less Federal transit funding than other states.



Legend: ■ Tennessee-FTA Funding ■ Average State FTA Funding

Federal Transit Administration (FTA) funding in Tennessee and Other States (Averaged), 2005 to 2021



3. None of Tennessee's major cities have adopted dedicated funding for transit.

Local dedicated funding provides reliable revenues that support quality transit and matching dollars that increase the likelihood of winning state and federal grants. Nationwide, 46 of the 50 largest metro areas have dedicated funding for their transit agencies. Orlando, Nashville, Memphis, and Hartford are the four cities without dedicated funding. The majority of cities, 39, utilize some form of sales tax, generating an average of almost \$394 million in annual revenue.

4. Tennesseans have few transportation options other than driving.

Because Tennessee invests less than other states in transit, walking, and biking infrastructure, Tennessee has one of the highest drive-alone commute rates – 11th highest in the nation – while ranking 42nd for transit commuting, 48th for bike commuting, and 49th for commuting on foot.^{ix}

5. The lack of transportation options is leading to negative outcomes for Tennesseans.



Tennessee's roads are more dangerous than those of peer states. Traffic fatalities have increased 29.9% from 2011 to 2020. It is **particularly unsafe for road users who are not in a vehicle** – traffic fatalities for pedestrians and cyclists increased 115.9% over the same period.^x



Driving and long commutes lead to **less physical activity and increased stress levels**,^{xi} causing **negative health outcomes** like obesity and heart disease. In addition, driving generates greater **air pollution**, contributing to a higher prevalence of asthma and other respiratory illnesses.^{xii}

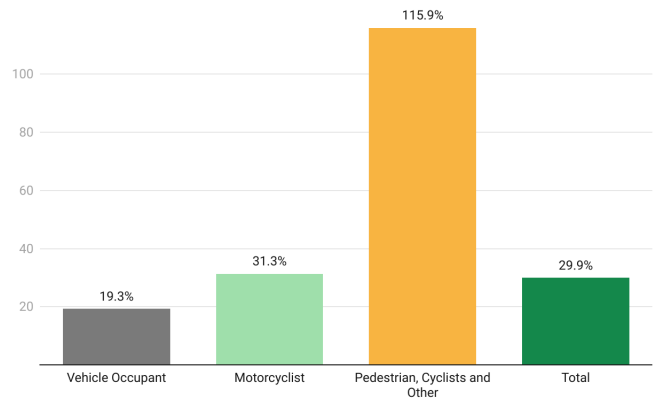


Tennessee ranks **43rd in the nation for transportation costs relative to household income** for moderate-income families.^{xiii} Owning and

operating a car costs an average of \$13,974 each year.^{xiv} Overall, transportation costs are estimated to be 32% of the household expenses for a moderate-income Tennessee family.

These negative outcomes are a direct result of funding decisions and an underinvestment in a variety of transportation options available to Tennessee families. Improving the outcomes of our transportation system requires rethinking our transportation investments.

Rates of traffic fatalities are increasing much faster for pedestrians, cyclists, and others.



Change in traffic fatalities by user, 2011 to 2020 (NHTSA)

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Policy Recommendations

Tennessee's current transportation infrastructure leaves many people and opportunities behind. With newly available funding, Tennessee has the opportunity to make transportation safer, more accessible, and more affordable throughout the state.

1

Prioritize Health, Safety, and Equity in Transportation Investments

Our transportation systems are meant to connect us – to each other and to opportunities – and to improve our quality of life by providing safe and efficient access to all the resources that we need. Too often, investments are overly focused on addressing congestion and under-focused on health, safety, and access to opportunity.

Tennessee's transportation investments can prioritize the outcomes that matter most to Tennesseans.



Prioritize the safety of all road users in the funding, planning, and engineering decisions for both existing and future infrastructure. Creating a safe transportation system for all users, including those walking, biking, or rolling, can decrease fatalities on Tennessee roads.



Optimize access to opportunities. Focusing on access to jobs and economic opportunity within a certain timeframe (such as a 30-minute commute) can ensure that transportation investments create better economic outcomes for Tennessee families.



Prioritize equity in transportation decisions by meaningfully engaging with communities. Prioritizing and institutionalizing robust community engagement processes as part of transportation planning and implementation will ensure that the needs of all community members are met through an equitable, safe, accessible transportation system.

2

Maximize the Capacity of our Existing Assets

To relieve congestion, increase accessibility, and enhance economic development, Tennessee can maximize the capacity of existing infrastructure and invest in multimodal transportation options.



Expand TDOT's *Fix it First* program to include strategies for optimizing capacity, such as technology and demand management. In addition to maintenance, the *Fix it First* policy can prioritize programs such as TDOT's *SmartWay* and transportation-demand management programs that help maximize capacity of our existing roads. Regularly assessing whether infrastructure has outlived its useful lifespan can also help avoid maintenance and upkeep on outdated, obsolete assets.



Prioritize transportation modes that move more people. TDOT has identified \$3.185 billion in transit and multimodal transportation needs in recent urban congestion studies. Funding and prioritizing projects that optimize space and resources as TDOT implements the Transportation Modernization Act will help maximize the capacity of our transportation assets.^{xv}



Maintain and promote land-use policies that support multimodal transportation. State and local planning officials should consider dedicating right-of-way for multimodal transportation in new developments and local officials should consider reforming zoning policies to prioritize higher density transit-ready developments, where appropriate.

3

Consider Additional Revenue Sources Beyond the Gas Tax

Tennessee has outgrown its current transportation financing model and new mechanisms are needed to meet demand for infrastructure improvements.



Explore a mileage-based user fee as an alternative long-term funding source. The gas tax is an insufficient funding source due to the increasing fuel efficiency of vehicles and because the revenue generated by the static tax rate is not keeping pace with inflation. A mileage-based user fee could provide a more stable revenue source for transportation investments.



Aggressively pursue federal funding opportunities for transportation infrastructure. Tennessee receives lower rates of federal funding for multimodal transportation than other states. Actively pursuing all available competitive grants will help Tennessee maximize its share of federal funds.



Adopt dedicated funding for transit and multimodal transportation infrastructure in major metropolitan areas, particularly Nashville and Memphis. Memphis and Nashville are two of the largest cities in the country that have not yet adopted dedicated funding for transit. Most large cities typically adopt sales tax, property tax, or vehicle fees to fund transit.^{xvi} Establishing new, dedicated funding would increase available revenue to fund multimodal transportation projects and transit services needed in Tennessee.

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