DELIVERING AFFORDABILITY AND OPPORTUNITY THROUGH STATE TRANSPORTATION MODERNIZATION

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States Achieve the Best Results When Agencies Work Together

Transportation and energy policy decisions affect the cost of getting around, electricity bills, commute times, and housing choices. They dictate our access to jobs, schools, health care, and essential services. Because transportation is the second-largest household expense after housing, governors have an opportunity to improve affordability and economic opportunity through the agencies and institutions they lead, including state departments of transportation (DOTs), energy offices, utility commissions, housing agencies, environment agencies, and economic development agencies. These challenges are cross-cutting and require tradeoffs among cost, convenience, reliability, safety, local control, and implementation capacity. For example:

- Affordable used electric vehicles (EVs) are widely available, but families need access to reliable charging infrastructure. States are working to expand charging while balancing deployment speed, technology transitions, and long-term infrastructure investments.
- Demand for walkable, transit-accessible communities far exceeds supply, but addressing restrictive local land-use policies that prevent the market from building the housing people want can be politically and legally risky.

Residents evaluate local and state government by whether it makes daily life easier, more affordable, and safer. That means the public judges governors less by the policies they announce than by the results a government delivers. The strongest transportation and energy agendas therefore focus on outcomes residents can experience, not only technologies, program announcements, or ribbon cuttings.

Governors can achieve the best results when transportation, energy, housing, utilities, environment, and economic development agencies work toward the same goals. This fact sheet synthesizes Atlas research, implementation experience, and expert interviews to share practical actions governors can take to lower costs, expand opportunity, and deliver results residents value.

Three Actions Governors Can Take

The central task for governors is straightforward: set resident-centered outcomes, appoint leaders who can deliver them, and remove institutional barriers that make cross-agency implementation difficult. The examples that follow show how that governing approach can translate into visible improvements in affordability, mobility, safety, housing access, and grid reliability.

Appoint Effective Implementers

> "We need implementers who know the system and can deliver."
> — Former Head of Major City DOT

The most important transportation and energy decision a governor may make is selecting the people responsible for delivery: transportation secretaries, public utility commissioners, energy office directors, and other senior leaders. Effective appointees understand how state government works, can navigate budgets, permitting, procurement, regulation, and stakeholder management, and have a plan to deliver within a governor's term. While vision matters, execution matters more. Every candidate for a leadership role should be able to answer: What specific results will residents experience by the end of my term, and how will I deliver them? See Box 1 for five questions to naming the right appointees.

Appointees should also show they can work across agencies and lead by example when coordination is needed to deliver effective programs. They must make timely decisions, set clear program priorities, and give career staff enough direction to execute. Existing trust with the governor and across agencies is valuable, but it should not be required if candidates have relevant implementation experience and the capacity to build trust quickly with other appointees and staff. Governors should also define clear performance expectations, including active collaboration with other agencies and leaders, and be prepared to replace appointees who are not delivering results.

Align Agencies Around Collaborative Outcomes

> "There needs to be a clear message that this is our job and responsibility, and we're going to learn to do it."
> — Current State DOT Staff

Transportation, energy, housing, and economic development challenges increasingly overlap, but state government is often organized around agencies rather than outcomes. Governors can create alignment by setting common goals, clarifying responsibilities, and holding leaders accountable for shared outcomes rather than agency-specific wins. They should develop achievable, practical, public goals with the leaders they appoint and the staff responsible for implementation. Those goals should be tied directly to resident needs, such as lowering transportation costs, expanding mobility choices, improving access to jobs and services, and making daily travel safer and more reliable. For any cross-agency goal, governors should create a straightforward decision-making process and make clear who has decision-making authority so agencies understand the process and staff can move from coordination to execution with the necessary input.

Box 1. Five Questions Every Governor Should Ask

1. **What outcomes matter most to residents?** Focus on affordability, safe and healthy streets, access to jobs and services, economic opportunity, and quality of life. Example: reduce accidents along school routes by 50 percent in two years.
2. **Which leaders can realistically deliver those outcomes?** Appoint implementers who can explain what they will deliver, why it is achievable, what authority they need, and how the agency will measure success publicly and internally. Example: appoint a DOT leader with a track record of delivering major projects with a concrete plan to improve project delivery by 20 percent in two years.
3. **Which agencies need to work together?** Align transportation, energy, environment, housing, utility, workforce, and economic development institutions around shared outcomes, prioritized with clear decision-making authority. Example: projects relying on close coordination between transportation and energy offices completed on time and on budget.
4. **What barriers can I remove?** Accelerate progress by clarifying authority, improving coordination, delegating decisions, and giving staff the tools they need to execute. Example: create a decision-making structure among leaders that delegates decisions to the lowest feasible level and ends duplicative reviews.
5. **What results will residents experience before the end of my term?** Work with appointed leaders and long-term agency staff to match goals to realistic timelines, resources, and authority. Provide residents with transparent ways to see progress and hold government accountable while longer-term investments mature. Example: create a project tracking website for public visibility.

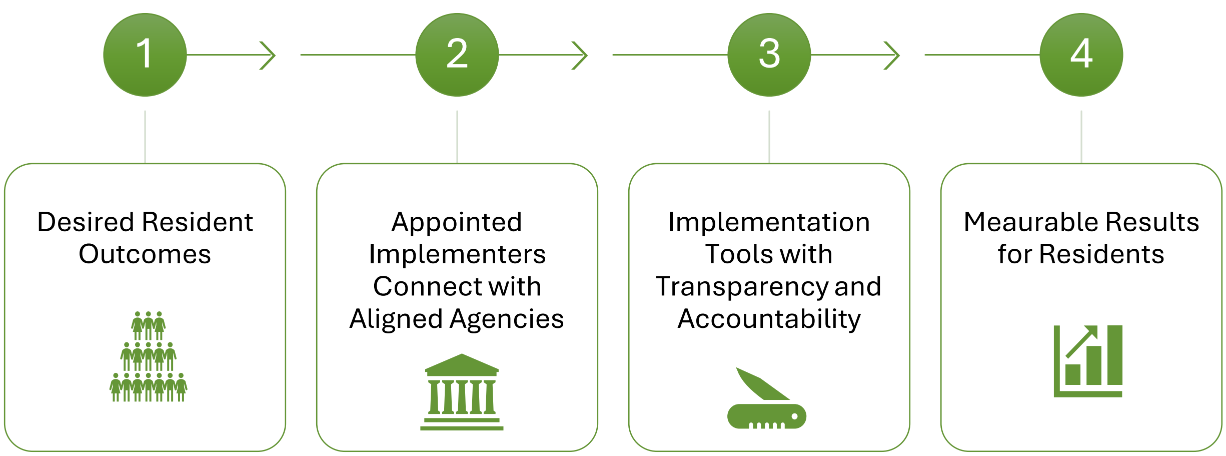
Focus on Results that Residents Experience

> "The objective is not reform. The objective is the ability to deliver the things the governor wants them to do."
> — Former Head of State DOT

Ambitious visions are important, but public commitments are most effective when they are matched with authority, resources, staffing, and realistic timelines. Goals that are disconnected from implementation realities can become obstacles to progress; the target is an "ambitious yet feasible" zone. Governors should prioritize goals clearly enough to empower leaders and staff to make decisions, track progress transparently, minimize ad hoc requests, and have space to execute.

Delivering Practical Results for Residents

Governors can translate broad transportation and energy priorities into practical programs when they connect resident needs to specific delivery tools: funding mechanisms, utility programs, land-use coordination, transit service models, safety improvements, and agency accountability systems.



Governors must deliver affordable, convenient transportation options that use the latest technologies to improve travel time and energy efficiency. This includes, for example, upgrading train systems with automated electric rail[1] to be fully autonomous, supporting flexible microtransit in rural and suburban areas, expanding shared electric bikes (e-bike) and scooters where

[1] Metro Rail in Washington, DC, and BART in San Francisco, CA support automatic train control. The Detroit People Mover runs without a driver.

appropriate, and implementing proven safety improvements for pedestrians. States should also create conditions for safe and effective deployment of innovative technologies such as widespread electric vehicles and e-bikes to insulate consumers from rising fuel prices and autonomous vehicles (AVs) by modernizing regulations, preparing infrastructure, and coordinating with industry to increase access to transportation for all. The following examples show successful state programs that may be useful to replicate.

Colorado Expands Bus Access

Many transportation programs measure success by dollars spent or projects announced, but the most effective ones solve real problems for residents. One example in Colorado is Bustang, the state-owned and funded intercity bus system. Bustang fills mobility gaps left by declining private bus service and connects population centers and rural communities across Colorado. Since its launch in 2015, Bustang ridership has grown almost 280 percent while expanding from three routes to 20 statewide routes, demonstrating sustained resident demand for intercity transit service. Its lesson for governors is that residents embrace transportation investments when they provide immediate value: reliable service, affordable fares, convenient connections, and practical alternatives to driving alone.

Minnesota and Colorado Diversify Revenue with Delivery Fees

Minnesota and Colorado have created innovative new revenue streams. A state retail delivery fee shows how dedicated funding can help states maintain momentum on long-term transportation and electrification priorities even when annual budgets, federal funding, or political leadership changes. Colorado charges a 31-cent fee on retail deliveries, such as Amazon, Walmart, and DoorDash orders, which provides additional funding for safety, public transportation, and pollution reduction projects. Since its launch in 2022, this program has generated at least $218.2 million in dedicated transportation revenue by early 2025, helping fund $15 million in transit-electrification awards supporting 28 electric transit vehicles.

In Minnesota, a 50-cent fee applies to deliveries over $100. Programs like this are particularly appealing because legislatures can enact them and states can begin generating revenue within a governor's term. Several other states have conducted feasibility studies. The approach gives policymakers a durable funding source, but it also raises practical questions about consumer cost impacts, administrative complexity, equity, and political durability that other states should consider before adopting a similar fee.

Con Edison in New York Manages EV Charging to Improve Grid Performance

Con Edison's SmartCharge New York program demonstrates how utilities can reduce transportation costs for residents while supporting a more reliable electric grid. The program rewards EV drivers for charging during off-peak hours, when electricity demand is lower, by providing a direct financial incentive through vehicle telematics rather than requiring customers to navigate complex rate structures. Participants who avoid charging during peak periods receive direct payments that help lower the cost of vehicle ownership while allowing the utility to better manage electricity demand and avoid unnecessary grid investments. The program is simple for residents to participate in, delivers financial benefits of up to $400 per year on average, and aligns customer behavior with broader grid reliability goals with over 27,000 residential and 36 commercial participants in 2025. As EV adoption grows, managed charging programs like SmartCharge New York show how states, utilities, and regulators can work together to improve affordability, accelerate transportation electrification, and maximize the value of existing energy infrastructure.

Maryland Supports Transit Oriented Development

Maryland has made transit-oriented development a core state strategy for improving affordability by aligning transportation, housing, and land-use policies to encourage mixed-use development near public transportation stations. The Maryland DOT designates sites, provides grants and loans for development, designs surrounding streets to support safe walking and biking, and leverages state-owned land. At the same time, the Maryland Department of Planning complements these efforts by helping local governments adopt transit-supportive zoning, parking policies, site design standards, and development procedures that encourage appropriate densities and land-use patterns around existing and future transit corridors. The Maryland Department of Housing and Community Development prioritizes grants for affordable housing near transit. Together, these coordinated policies align transportation investment, housing production, and local land-use decision-making to expand housing supply in transit-accessible locations, reduce transportation costs for residents, and maximize the return on public infrastructure investments. These developments have also attracted private investment, including $24 million in financing from Amazon for Strathmore Square. Developers built more than 2,400 housing units as part of transit-oriented development in Maryland between 2013 and 2024. Maryland DOT anticipates that its current transit-oriented development plans will result in 18,000 new housing units and an additional $4.5 billion in state and local tax revenue.

North Carolina Demonstrates On-Demand Microtransit

North Carolina's on-demand microtransit programs demonstrate how flexible transit service can expand affordable transportation options in communities that lack frequent fixed-route transit. Through its "Mobility for Everyone, Everywhere in NC" initiative, the North Carolina DOT launched on-demand microtransit pilots in 11 communities to address transportation gaps in rural and suburban areas, replacing rigid schedules with responsive, user-focused service that helps residents reach jobs, health care, education, and other essential destinations while improving operational efficiency. Riders can request curb-to-curb trips when needed, reducing wait times and increasing mobility for seniors, workers, and households without access to a private vehicle. Building on successful services such as RIDE in Wilson and RideMICRO in Brunswick, New Hanover, and Pender counties, North Carolina has become a national leader in microtransit, showing how technology-enabled, demand-responsive transportation can provide convenient and cost-effective mobility in areas where traditional transit service may be difficult to sustain. The program surpassed one million rides in November 2025.

Colorado Offers E-Bike Rebates

Colorado's completed statewide, income-qualified e-bike rebate program demonstrates how a targeted incentive can make a practical transportation option affordable for residents. From summer 2023 until its initial funding was fully used in spring 2025, the program supported 7,985 completed e-bike purchases and provided more than $9.75 million in point-of-sale discounts. More than 34,000 Coloradans applied, signaling substantial unmet demand; among surveyed recipients, 89 percent said they would not have purchased an e-bike without the rebate. The state also offered a statewide e-bike tax credit, launched in April 2024, which provides an immediate retailer-delivered discount of $225 in 2026 and had been used by more than 20,000 Coloradans by the end of 2025. The Colorado Energy Office establishes eligible-bike and program standards and administers local ownership and bike-share grants; the Colorado Department of Revenue registers retailers and manages tax-credit reporting and payments; the Community Access Enterprise funds programs including e-cargo bike deployment; and Colorado DOT supports safe adoption through its statewide e-bike safety campaign.

Delivering Affordable Transportation for All

Affordability is the goal. Transportation and energy decisions influence some of the largest household costs residents face. **Institutions are the mechanism.** Governors shape outcomes through the people they appoint, the priorities they establish, and the relationships they build across agencies. **Results are the measure.** Residents care less about announcements than whether transportation is more affordable, streets are safer, businesses can grow, and government keeps its promises.