Driving Louisiana Forward

• Keeping the wheels in motion

Presented by Jennifer Marusak
Communications Director
Driving Louisiana Forward

www.drivinglouisianaforward.org
The Problem

• Louisiana dropped 10 points – to 40th in overall performance of our transportation system
  • 32nd in urban interstate congestion (47%)
  • 44th in rural interstate condition
  • 42nd in urban interstate condition
  • 37th in deficient bridges (30%)
  • 49th in fatality rates

*Reason Foundation, July 2008
The Problem

• Louisiana’s current road funding doesn’t work

• TTF is the primary mechanism for road, bridge and port funding

• TTF funding comes from gas and diesel tax; and eventually the vehicle sales tax

• TTF is funded by 16-cent gas tax – established in 1984 – buying power of that 16 cents is only 7.2 cents today
The Bottom Line

• Louisiana still has a $14 billion backlog in unmet construction needs

• Gas tax revenues are declining
  • Gasoline prices have risen
  • Vehicle miles traveled have decreased
2008 Legislative Session

• State Police Traffic Control ($40 million)

• Truck Registration Fees ($40 million) – in the 2009-10 fiscal year – strictly for non-federal eligible roads

• Vehicle Sales Tax Revenue

*$600 million in Surplus Revenues
2008 Legislative Session

- Vehicle Sales Tax Revenue
  - Phased-in over 7 years
  - 93% to Transportation Trust Fund
    - 30% of 93% to capacity projects
    - 7% of 93% to port priority program
  - 7% to Mobility Fund
Vehicle Sales Tax Phase-In

- Fiscal Year 08/09 – 10% – $34.6 million
- FY 09/10 – 20% – $70.7 million
- FY 10/11 – 30% – $108.2 million
- FY 11/12 – 50% – $184.2 million
- FY 12/13 – 75% – $281.8 million
- FY 13/14 – 85% – $325.8 million
- FY 14/15 – 100% – $390.0 million
New Transportation Dollars

DESTINATION
$600 Million Yearly

$470.9
2014/2015

$405.8
2013/2014

$361.8
2012/2013

$264.2
2011/2012

$188.2
2010/2011

$150.7
2009/2010

$74.6
2008/2009

$0
2007

Dollar amounts in millions
How do we compare?

• DOTD Administrative Costs
  • LADOTD is 4th lowest in country (cost of operations vs. capital expenditures)
  • 2nd lowest in the south – 3.59%
• Gas Tax
  • 26 states higher (44 – if the TIMED $ excluded)
• Auto Registration
  • 46 states higher
• Truck Registration
  • 44 states higher
The Surplus

• While all one-time appropriations for highways are welcome, they are not a solution to Louisiana’s long-term transportation problems

• A $600 million one-time appropriation still only represents less than 4% of Louisiana’s $14 billion unmet needs
Why it’s important

• IT’S A COMPETITIVENESS ISSUE

The Key Role of Construction in Louisiana’s Economy

• For every one state dollar invested, $6 dollars return to LA in taxes, jobs and benefits

• Construction contributed $8 billion to the state GDP of $216 billion in 2007

• The industry employed 138,000 workers in May 2008, 7% of the state’s nonfarm employment
Why it’s important

• IT’S A QUALITY OF LIFE ISSUE
  • Average cost of congestion per person is $190 per year
  • Cost of crashes per person is $1,472

  *AAA Cost Report

• $1.3 billion to Louisiana drivers
  • $425 per motorist/per year
Why it’s important

• IT’S A SAFETY ISSUE
  • Poorly maintained roads contribute to 1/3 of all highway fatalities
  • 41% higher fatality rate
  • 49th in fatality rate
  • Improving safety improves congestion – 40-50% of all nonrecurring congestion is associated with traffic incidents
How do we keep the wheels in motion?

- We still have a long way to go …
How do we Drive Louisiana Forward?

- Acceleration of the vehicle sales tax
- DOTD employee benefits
- WHIP Fund legislation
- Additional surplus dollars
How do we Drive Louisiana Forward?

- Estimated that a combined funding effort providing solid growth should total $600 million annually.
- Public must examine potential options and communicate with the legislature and the administration.
- Outcry over poor roads, unmet additional needs and congestion must not stop until a solution is in place.
- Our state’s transportation struggles must continue to be an issue.