

TECHNOLOGY

eXchange



GASB 34: WHAT IS IT?

A new nationwide accounting standard, GASB 34, will radically affect the way highways and other government assets are maintained and managed. If a municipality or parish fails to comply with the GASB 34 standard, the consequences could be dramatic.

The federal Governmental Accounting Standards Board (GASB) establishes and improves financial accounting and reporting standards for state and local governments. In June 1999, GASB published Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This statement, known as GASB 34, requires state and local governments to report on the value of their infrastructure assets, including roads, bridges, drainage systems, and water and sewer facilities.

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MAINTAINING GRAVEL ROADS



Local governments in Louisiana maintain over 44,000 miles of public roads. Approximately 15,000 miles are unpaved/gravel roads.

One Roads Scholar course presented by the LTAP Center is aimed at helping local governments do a more effi-

cient job of maintaining their unpaved roads.

Every parish in the state has unpaved roads. Some have only a few miles, others have over 500 miles, with the average being several hundred miles.

Proper maintenance helps reduce the cost of upkeep and keeps roads in good condition for a longer period of time.

All roads should be built of materials and soils

that will make them passable in all types of weather. A large portion of the nation's total road mileage consists of aggregate-surfaced roads. Louisiana is no exception. Aggregates that are very hard and not easily broken up are best to use for road surfaces and shoulders. Most commonly used

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GASB 34 will affect more than 84,000 governmental units in the U.S., including all 64 parishes and 302 municipalities in Louisiana.

There are no legal requirements for local governments to comply with GASB 34, but non-compliance can negatively affect bond ratings and loan interest rates. In addition, the Federal Emergency Management Administration (FEMA) is issuing an “exposure draft,” which will refuse emergency funds following a natural disaster to agencies that do not have some minimal levels of insurance. The reports for GASB 34 will be necessary for compliance with FEMA requirements.

According to government press releases, the new financial reporting requirements will improve the accountability of municipalities and parishes by providing better and more accessible information to the public. In addition, annual reports are expected to be easier to understand and more useful to those who make decisions based on the information.

The reports should help municipalities and parishes:

- Access operating finances for the year
- Determine whether



- overall financial position has improved or declined
- Evaluate whether current year revenues are sufficient to pay for current year services
- Demonstrate the cost of providing services to citizens
- Demonstrate how public works programs are financed
- Have a clear accounting of the investment in capital assets, including roads, bridges, and other infrastructure assets
- Make better comparisons with other parishes and municipalities.

GASB 34 data will be incorporated into the required management’s discussion and analysis (MD&A) where the government’s financial performance for the year will be analyzed to determine whether finances have improved or declined. The analysis will include a comparison of the current year to the previous year based on government-wide financial information

about assets, liabilities, revenues, and expenses.

GASB 34 provides a choice for reporting infrastructure:

- a traditional depreciation-based accounting approach or a
- modified approach.

Local agencies will have to decide between the two approaches when reporting data. The depreciation approach applies general straight-line depreciation to the original book value of the assets. For bridges and road related assets, the depreciation approach will provide accounting information only. The local govern-

ment will have to complete an inventory of road and bridge assets.

The modified approach is a condition-based assessment of the annual infrastructure reinvestment requirements and it addresses the estimated rehabilitation and replacement cost of assets. If a local unit of government shows that it manages assets using an asset management system for each infrastructure type and while preserving assets at established condition levels, it need not report depreciation.

The asset management system must include the following criteria:

- An inventory of road and bridge assets
- Established condition levels for each asset
- Condition assessments performed at least every three years
- Estimated annual budgets to maintain each asset at or above the established condition level.

One advantage of the modified approach is that the reported value of assets reflects the positive effects of maintenance, especially preventive maintenance, on the condition and value of roads, bridges, and

INCIDENT MANAGEMENT TRAINING SCHEDULE



The Louisiana State Police will be having Incident Management seminars at the following locations in Louisiana:

Alexandria	April 17-18
Lake Charles	April 19-20
Monroe	May 21-22

Mock crash in Bossier City staged by Operation Lifesaver.

Incident Management is primarily a police-type operation but has a significant impact on traffic operations to the point where there is a need for traffic engineering input and understanding regarding the program.

Traffic engineers are urged to participate in these seminars. For more information contact the State Police Troop Headquarters in these areas or contact Colonel Mark Oxley at State Police HQ at (225) 922-2293.



Source: Adapted with permission from Nuggets & Nibbles, the newsletter of the Cornell Local Roads Program, Volume XI, Number 3.

other assets, while the depreciation method does not.

Dates for reporting capital assets and new infrastructure assets are:

- June 15, 2001, for public entities with total revenues greater than \$100 million
- June 15, 2002, for public entities with total revenues between \$10 million and \$100 million
- June 15, 2003, for public entities with total revenues less than \$10 million.

Additional time has been granted to report previously constructed

or modified infrastructure assets (retroactive reporting).

Dates for reporting infrastructure assets constructed after June 30, 1980 are:

- June 15, 2005, for public entities with total revenues greater than \$100 million
 - June 15, 2006, for public entities with total revenues between \$10 million and \$100 million
- Public entities with total revenues less than \$10 million are encouraged but not required to report major general infrastructure assets retroactively.

Implementing GASB 34 will be a time consuming and costly process. It is best to start planning now. Learn as much as you can about GASB 34. The sources listed below will help you sort through the red tape.

Governmental Accounting Standards Board

GASB 34 Web page:
www.rudgers.edu/accounting/ra/gasb/repmodel/index.html
This Web site contains the GASB 34 Statement and has answers to questions about the standards.
Phone: (203) 847-0700.

Government Finance Officers Association

The GASB's new Financial Reporting Model: An Overview

for Finance Officers, July, 1999.
www.gfoa.org/
This Web site may be of interest to municipal and parish financial advisors and officers.
Phone: (312) 977-9700

National Association fo State Auditors, Comptrollers and Treasurers

www.sso.org/nasact/GASB%2034/GASB34page.htm
This Web site includes a database of questions and answers about GASB 34.
Phone (859) 276-1147

American Appraisal Associates

www.american-apraisal.com/contact.htm

A free GASB 34 information booklet which includes an implementation timetable, definitions of capital assets and infrastructure and key compliance issues.
Phone: 1-800-558-8650

aggregates are coarse soils or mineral particles such as crushed stone, gravel, natural sands, and crushed sea shells. Other types of aggregate, found in certain localities, that may be used include slag, burnt clay, and expanded shale.

The proper blend of different sized aggregate on a road produces a surface that can be used in all types of weather. Different sized aggregate are blended together and spread across the road base to make a

wearing surface. The largest size is usually no more than one inch. Blending different sizes allows the pieces to lock and pack (compact) together to make a strong, tight surface.

Fine material (fines) is added to a mixture of different sized aggregates to fill the small spaces (voids) between the pieces. This fine material, often called binder or mineral filler, is a very important part of the mixture because when water is added, it acts like cement to hold

the aggregate together. Without enough fines, most aggregate will not dry to form a hard wearing surface.

The most commonly used equipment for maintaining aggregate surfaced roads is the motorized road grader. However, other kinds of equipment may be used, including pull-type blades, underbody blades, and drags (single or multiple blade.) Regardless of the kind of equipment, the method used to maintain aggregate

surfaced roads is usually the same.

To keep a road in good condition, the road surface and shoulders must be maintained. Blading is necessary to smooth and reshape the road surface and shoulders.

The surface of the road is smoothed by dragging, usually done when the aggregate and fines are moist. Smoothing may be done in dry weather; however, the cut must not be deep enough to disturb the hard crust.



CONFERENCE SCHEDULE

April 22-26, 2001

The National Association of County Engineers (NACE) will hold their annual meeting and management and technical conference in Bloomington, Minnesota. For more information call 202-393-5041, or check their website at www.naco.org/affils/nace.

July 16-20, 2001

Louisiana Rural Water Association 16th Annual Training & Technical Conference—Alexandria, Louisiana.

TECHNOLOGY *exchange*

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DANGERS OF SLEEP DEPRIVATION

One out of three Americans don't get enough sleep. You may be one yourself, but did you realize that you may be risking your life or someone else's?



According to the National Sleep Foundation and the National Highway Safety Administration, more than 200,000 auto accidents reported annually may be fatigue related.

Lack of sleep can make life feel more stressful and impair the ability to perform tasks involving memory, learning, logical reasoning, and mathematical calculations. Lack of sleep can also cause your body to heal from sickness and injury more slowly and contribute to strained rela-

tionships at home and at work. Sleep deprivation has been found to be a significant contributor to absenteeism, costing the national economy as much as \$150 billion annually.

Just about everyone has an occasional night of poor sleep, but the people most often tormented with sleeplessness are students, shift workers, people who travel a lot, and anyone suffering from stress, depression, or chronic pain. There are however, some things you can do to ensure a good night's sleep.

- Avoid caffeine, nicotine, and alcohol in the late afternoon and evening. Nicotine and caffeine can delay your sleep and alcohol may interrupt it later in the night.

- If you have trouble sleeping or are restless at night, don't nap during the day. It affects your ability to sleep at night.

- Establish a regular, relaxing bedtime routine that will allow you to unwind and send a signal to your brain that it's time to sleep. Take a hot bath. Do some easy stretching exercises, but not aerobics or weight lifting, since they stimulate your metabolism. Play some soothing music to calm down.

- Turn off the TV when you go to bed. In the United States, over 80 percent of people who sleep poorly report that they watch more than an hour of television after they go to bed. People who sleep well nearly never watch television after they go to bed.

- Be sure that your bedroom is a pleasant temperature, dark and quiet, except for any soothing music you may want to have on. Minimize distractions.

- If you can't get to sleep after a half hour, don't stay there tossing and turning. Get up and do something that you value. Write the letter that you haven't been able to get around to. Write in a journal. Try to clear your mind of troubling thoughts. If you can't get rid of bothersome thoughts, write them down.

If you still can't sleep, see your doctor and discuss possible options.

Source:
The National Sleep
Foundation

Catch some ZZZZZZZZZZZZZZZZZZZZZ's

FHWA STUDY FINDS RED-LIGHT RUNNING VIOLATIONS DOWN

If you're planning on zipping through that red light, be prepared to be caught on tape. No, it's not candid camera, but an equally startling surprise may be coming to an intersection near you.

The Federal Highway Administration (FHWA) has recently released a study that showed red-light-running violations decreased by as much as 60 percent at intersections where automatic cameras were installed to enforce the law.

The report analyzed the results of programs that use cameras to catch people running red-lights in Los Angeles County, San Francisco, New York City, Howard County, Maryland, and Polk County, Florida.

In Los Angeles, cameras were installed at rail-grade crossings. The instances of drivers running red lights at three different intersections decreased by 92 percent, 78 percent, and 34 percent.

In San Francisco, within the first six months of the program, the number of vehicles that ran red lights at intersections and were photographed by enforcement cameras decreased by more than 40 percent.

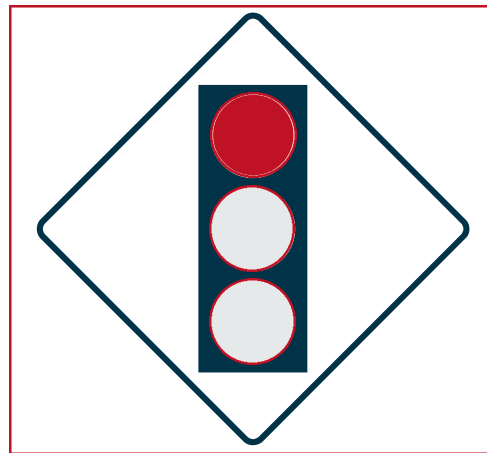
In Maryland, automated cameras set up at selected intersections caused the number of violations per day to decrease from 90 to 60. Transportation officials in Florida also reported

that having the cameras installed decreased the number of red-light-running violations.

While effective, these cameras are not a formal element of the Stop Red Light Running Program, which is a community-based safety program created by the FHWA in 1995. The campaign's purpose

There are currently 21 states and one territory that have considered camera technology for enforcement and have either passed legislation or are considering it.

Adapted with permission from Better Roads Magazine, May/June 2000.



Even though video enforce -

ment has been proven to be very effective and despite the fact that Louisiana has one of the worst red-light-running fatality records in the country, video enforcement is currently against the law here.

was to raise awareness of the dangers of red-light-running and help reduce fatalities in participating communities. In April 1998, Daimler Chrysler and the American Trauma Society partnered with the FHWA to continue the Stop Red Light Running Program.

Enforcing red-light-running laws through the use of automated cameras has proven to be effective in reducing the incidence of red-light-running and the number of related accidents.

Louisiana
Highway Safety
Commission



More than 1 million motor vehicle crashes occur annually at traffic signals.

Dept. of Public Works
City of Sacramento

GRADE CROSSING COLLISION INVESTIGATION COURSE



WHAT'S WRONG WITH THIS PICTURE?

April 2-3
Prien Lake Pavillion
Lake Charles

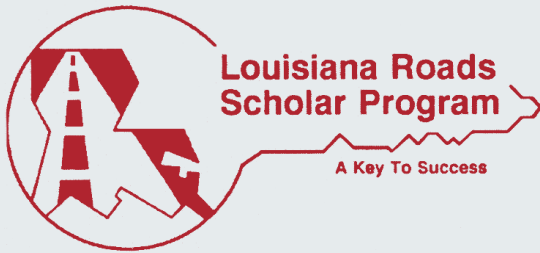
April 18-19
Vernon Parish Sheriff's Office
Leesville

April 25-26
LaPlace

May 15-16
Louisiana State Police Troop C
Training Facility
Grey

Sept. 11-12
Lafayette Utilities System
Lafayette

Oct. 17-18
New Orleans Public Belt Railroad
New Orleans



**RS #5 - Safety: A Common Sense Approach
for the Public Worker - David McFarland**

**RS #6 - Equipment Operation and Worker
Safety - David McFarland**

Jefferson	May 22, 2001
Baton Rouge	May 23, 2001
Alexandria	June 5, 2001
Sulphur	June 6, 2001
Lafayette	June 7, 2001
Bossier City	June 12, 2001
Ruston	June 13, 2001

**RS #9 - The Road to Better Signing - Bob
Canfield**

Jefferson	September 11, 2001
Baton Rouge	September 12, 2001
Alexandria	September 18, 2001
Sulphur	September 19, 2001
Lafayette	September 20, 2001
Bossier City	September 25, 2001
Ruston	September 26, 2001

**RS #13 - Bridge Maintenance and Safety
Inspection - Joe T. Smith**

Jefferson	November 6, 2001
Baton Rouge	November 7, 2001
Alexandria	November 13, 2001
Sulphur	November 14, 2001
Lafayette	November 15, 2001
Bossier City	November 27, 2001
Ruston	November 28, 2001

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- I have the following suggestion(s) for newsletter articles:

The Louisiana Local Technical Assistance Program was established at the Louisiana Transportation Research Center on the LSU campus in 1986. The purpose of the center is to provide technical materials, information, and training to help local government agencies in Louisiana maintain and improve their roads and bridges in a cost-effective manner. To accomplish this purpose, we:

- publish a quarterly newsletter,
- conduct seminars, workshops, and mini-workshops covering various aspects of transportation,
- provide a lending library service of audio/visual programs on a variety of transportation topics,
- provide technical assistance through phone and mail-in requests relating to transportation technology,
- and undertake special projects of interest to municipalities in Louisiana.

NEED TECHNICAL HELP?.....CONTACT OUR LTAP CENTER STAFF:

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