Right-Sizing the State Highway System

January 2010
Philosophy

“The more government we can keep at the local levels, in local hands, the better off we are and the more freedom we will have.”

President Reagan
Annual Convention of the National Association of Counties,
Baltimore, Maryland, July 13, 1982

“This administration believes that responsibilities and resources should be restored to the governments which are closest to the people served.”

President Reagan
Statement on Indian Policy,
January 24, 1983
Philosophy

“Taking power away from federal bureaucracies and giving it back to communities and individuals is something everyone should be able to be for”

*President Clinton*

*State of the Union Address to Congress, January 25, 1995*

“The era of big government is over”

*President Clinton*

*State of the Union Address to Congress, January 23, 1996*
Philosophy

- Current model of strong state – weak local government has been in place for 75 years or more.

- Current model has not produced good results.
  - Louisiana lags behind in many economic and social indicators.

- Many Louisiana citizens believe state government is too big.
Overview

Opportunity exists to:

- Reduce the size of DOTD
- Empower local governments
- Correct inequities in the distribution of state highway miles among the parishes
Overview

- Concept of “Right-Sizing” the State Highway System involves transferring approximately 5000 miles of road, with the money, to local governments.

- State Highway System is too big; Right-Sizing has been called for in State Transportation Plan since 2003.

- Current budget constraints has brought the concept to the forefront.

- HCR 38, 2010 Regular Session requests DOTD to develop a detailed Right-Sizing proposal.
<table>
<thead>
<tr>
<th></th>
<th>Rural System</th>
<th></th>
<th>Urban System</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>miles</td>
<td></td>
<td>miles</td>
<td></td>
</tr>
<tr>
<td>Interstate</td>
<td>534</td>
<td></td>
<td>Interstate</td>
<td>361</td>
</tr>
<tr>
<td>Principal Arterial</td>
<td>983</td>
<td></td>
<td>Other Freeway</td>
<td>61</td>
</tr>
<tr>
<td>Minor Arterial</td>
<td>1,586</td>
<td></td>
<td>Principal Arterial</td>
<td>890</td>
</tr>
<tr>
<td>Major Collector</td>
<td>4,670</td>
<td></td>
<td>Minor Arterial</td>
<td>1,212</td>
</tr>
<tr>
<td>Minor Collector</td>
<td>2,959</td>
<td></td>
<td>Collector</td>
<td>806</td>
</tr>
<tr>
<td>Local</td>
<td>2,463</td>
<td></td>
<td>Local</td>
<td>136</td>
</tr>
<tr>
<td>Subtotal</td>
<td>13,195</td>
<td></td>
<td>Subtotal</td>
<td>3,466</td>
</tr>
</tbody>
</table>

**State Highway System = 16,661 miles**
Louisiana Highway Network

- State Highway System 16,661 miles
  - Total Public Road System 61,000 miles
  - State Ownership in LA 27+ %
  - National Average 19 %

- Proposed State System 11,700 miles
  - Net Decrease 5,000 miles
  - State Ownership 19+ %
Right-Sizing Concept

Freed-up capital usage:
- Increase PTF
- Increase off-system bridge program
- Increase local road safety program
- Start local congestion relief program

- Transfer 5000 miles from state to local government
- Implementation = 7 years - Repair any roads not in fair or better condition
- Gradually increase PTF
- Gradually decrease DOTD operating budget
- Gradually decrease DOTD staff levels

- Repair any roads not in fair or better condition
- Gradually increase PTF
- Gradually decrease DOTD operating budget
- Gradually decrease DOTD staff levels
Benefits to Local Governments

- Increased financial resources through PTF
- Greater authority in transportation decision-making including prioritization and fund allocation
- Authority to regulate traffic and development over larger portion of network
- Ability to implement comprehensive plans with less interference/less dependency on the State.
Benefits to State Government

- Seizing the opportunity will allow DOTD to focus on the system most important to the economy
  - Freight movement
  - Tourism
  - Business travel
Proposal Development

Part 1: Identify Transfer Mileage
- Consider role of State in highway network
- Establish right-sizing principles
- Establish right-sizing criteria

Part 2: Determine Compensation
- State’s annual routine maintenance expenditures
- State’s annual capital expenditures
- Propose revisions to PTF formulas

Part 3: Develop Transfer Schedule
Role of State in Highway Network

- Ensure that Louisiana is well connected to the rest of the country and world
- Provide for the movement of people, goods, and services between and through urban areas. Travel within an urban area is a local responsibility.
- Maintain a basic farm-to-market network in rural areas. These areas lack sufficient population, and therefore tax base, to maintain these facilities.
Right- Sizing Principles

- State should not be maintaining neighborhood streets in urban or rural areas
Right-Sizing Principles

- State mileage inversely proportional to population
  - As population increases, need for farm-to-market network decreases
  - Former rural state roads become urban and suburban streets
Right-Sizing Principles

- In urban areas, the State System should consist only of roads that serve a significant interurban function.

- Intraurban travel needs are best served by local governments even if streets have high traffic volumes.
Right-Sizing Principles

• Should account for differences in parish geographic size

- State road miles/square miles of land area

<table>
<thead>
<tr>
<th>Parish</th>
<th>Area (Sq Miles)</th>
<th>State Miles</th>
<th>State Miles Per 10 Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascension</td>
<td>292</td>
<td>258.61</td>
<td>8.857</td>
</tr>
<tr>
<td>Bossier</td>
<td>838</td>
<td>288.99</td>
<td>3.449</td>
</tr>
<tr>
<td>Rapides</td>
<td>1323</td>
<td>564.55</td>
<td>4.267</td>
</tr>
<tr>
<td>St. Bernard</td>
<td>465</td>
<td>63.61</td>
<td>1.368</td>
</tr>
</tbody>
</table>

Bossier density = 288.99 / (838 sq. miles /10) = 3.449 miles / 10 sq miles
Right-Sizing Criteria

Mileage Criteria
- Maximum state mileage in any parish = 300 miles
- Max state mileage in parishes with population > 100,000 = 275 miles
- Max state mileage in parishes with population > 150,000 = 250 miles
- Max state mileage in parishes with population > 200,000 = 225 miles
- Max state mileage in parishes with population > 250,000 = 200 miles
- Minimum state mileage in any parish = 50 miles

Density Criteria
- Maximum density in any parish = 5 state miles / 10 sq. miles land area
- Minimum density in any parish = 1 state mile / 10 sq. miles land area
Part 1: Transfer Mileage

- State miles transferred to local governments = 4,849.13
  - Includes 21 moveable bridges (only 3 are manned)
- Frontage road miles transferred to local governments = 320.58
- Local miles transferred to State = (80.55)
- **Net mileage transferred to local governments** = 5,089.16

Classification of transfer mileage

- Urban Local & Rural Local = 2,218 miles (all NFA)
- Frontage Roads = 321 miles
- Urban/Rural Collectors = 1,893 miles (1,057 NFA)
- Urban/Rural Arterials = 738 miles
Part 1: Transfer Mileage

- Average net transfer per parish is 80 miles.
  - Lowest = 17 miles (St. Bernard)
  - 41 parishes with 80 or less transfer miles
  - 7 parishes with 80 to 100 transfer miles
  - 16 parishes with greater than 100 transfer miles
  - Highest = 217 miles (Rapides)

- Following transfer, 5 parishes will still not meet Right-Sizing criteria
  - Caddo, Rapides, & St. Tammany will still exceed mileage criteria
  - Orleans will exceed density criteria
  - St. Bernard will fall below minimum mileage criteria
Part 1: Transfer Mileage

• State Highway System mileage following transfer = 11,888.13
• New State construction (including TIMED) = 100.37
• Revised State Highway System mileage = 11,988.50

Proposed limit for State Highway System = 12,000.00 miles*
  • Excludes frontage roads

• Maps showing transfer roads have been developed for each parish
• Roads being retained by State are shown in red
• Roads proposed for transfer are shown in green
• Transferred roads do not disappear, rather the ownership changes
Right-Size Route

GARDERE LANE (LA 327 Spur) Baton Rouge
Right-Size Route

JEFFERSON STREET (LA 6) Natchitoches, La
Right-Size Route

LA 1013 (Assumption Parish)
Right-Size Route

LA 1016-2 (Belle River)
Right-Size Route

MAIN ST. (LA 64) Zachary
Right-Size Route

LA 401 (Canal Road near Attakapas Landing)
Right-Size Route

CLAIBOURNE AVE (US 90) New Orleans
Right-Size Route

W. BERT KOUPS INDUSTRIAL LOOP (LA 526) Shreveport
Part 2: Compensation

Three Components

• Average Annual Routine Maintenance Costs
  Mowing, litter pickup, striping, patching, etc.

• Increase in Off-System Bridge Needs

• Average Annual Capital Costs (non-bridge)
  Pavement preservation, capital operations, safety, capacity
Part 2: Compensation

Routine Maintenance

• Annual Costs (5-year average) = $4,460/mile
• 5,089.16 miles x $4,460/mile = $22.7 million
• Annual Operating Cost for 21 Moveable Bridges = $2.7 million

Total Routine Maintenance = $25.4 million/year
Part 2: Compensation

Off-System Bridge Program

- Current Off-System Bridge Program = $15 M/year
- Off-System Bridge Needs
  - Prior to Right-Sizing = $30 M/year
  - With Right-Sizing = $45 M/year

Increase in Off-System Bridge Needs = $15 M/year
Part 2: Compensation

Capital Costs (Non-Bridge)

• Annual Costs (10-year average) = $49.3 million

  Excludes: Bridge, Urban Systems, Enhancements, Federal and State Earmarks, ARRA, State Surplus

Total Capital Costs = $49.3 million/year
Part 2: Compensation

Summary

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Routine Maintenance</td>
<td>$25.4 M</td>
<td>$ 0.0 M</td>
</tr>
<tr>
<td>Increase in Off-System Bridge</td>
<td>3.0 M</td>
<td>12.0 M</td>
</tr>
<tr>
<td>Annual Capital</td>
<td>14.3 M</td>
<td>35.0 M</td>
</tr>
<tr>
<td>Total Compensation</td>
<td>$42.7 M</td>
<td>$47.0 M</td>
</tr>
</tbody>
</table>
Part 2: Compensation

Summary

Right-Sizing Compensation (state) = $42.7 M

Current PTF = $46.4 M

Proposed New PTF = $89.1 M

* Proceeds of 3 Cents Fuel Tax = $89.1 million

Right-Sizing Compensation (federal) = $47.0 M

* DOTD must administer

* Minimum $12 million increase in Off-System Bridge

* Allocate remainder among Bridge, Safety, Congestion Relief
Parish Transportation Fund

- Covered in R. S. 48: 756
- Three components:
  - Parish Road
  - Mass Transit
  - Match for Off-System Bridges
Distribution Formula - Roads

- Based partially on population and partially on mileage of parish roads
- All funding presently allocated to “Parish Governing Authority”
- No requirement to sub-allocate to municipalities

Distribution Formula - Transit

- Only to urban transit systems
Parish Transportation Fund

- DOTD to propose revisions to statute and formula as part of right-sizing proposal

- Legislature should consider for UP or DOWN vote only
Part 3: Transfer Schedule

- Transfer Miles:  
  State to Local = 5,169.71
  Local to State = 80.55
  Net = 5,089.16

- Years 1–3 = 1000+ miles annually
- Years 4–7 = 500+ miles annually

- About 2000 miles need pavement preservation
  - Repair costs = $425 million ($340 million NFA)
  - Need all commercial vehicle registration fees
  or Vehicle Sales Tax
Deliverables

• Report outlining the proposal

• Map for each parish showing exactly which routes would be transferred

• Exact figures for increase in PTF and decrease in DOTD operating budget and TO

• Figures for increases in Off-System Bridge, Local Road Safety, and Local Congestion Relief Programs
Deliverables

• Proposed revision to PTF formula

• Transfer schedule
  – Mileage transferred by parish
  – Increase in Parish Transportation Fund with distribution tables
  – Increase in Local Capital Assistance Programs
  – Reduction in DOTD Operating Budget and Staff

• Recommended method(s) of finance that provides reasonable assurances that increased funding for PTF will continue
Action Plan

- Present status to Legislature this spring
- Will not move forward this Legislative Session; rather 2012 Regular Session
- Requires constitutional amendment on ballot in November 2012
- Focus on education over next 22 months
- Use maps to guide exchanges under Road Transfer Program
Thank you