The State Outlook
IDOT Projects Awarded At Record High

(In $ Million)
Mixed Outlook For Future

(In $ Million)

Local $  State $  Federal $

FY08  FY09  FY10  FY11  FY12-14 Est.  FY15-16 Est.
Why Does The Program Drop?

- All Program Increase Funded Through Bonds
- $330 M/Yr. In Additional User Fees – None To Road Fund
- New Diversions Being Proposed
Bonds: Boom Or Bust Programs

● The Boom Years!
  – Total Bonds Appropriated For Highway Program:
    $5,054 M
  – Jobs Now Bonds: Five-Year Program, Ending
    With FY14

● The Bust Years?
  – FY15 And Beyond: Bonds Gone; No New State
    Revenues
  – Highway Program Plummets?
Highway User Fee Increases Enacted In 2009

- Increased User Fees Generate Est. $332 M/Yr
  - Title/Transfer Fee: $114 M
  - Driver’s License: $37 M
  - License Plate: $181 M

- All Increased Revenue To Capital Projects Fund

- Capital Projects Fund Used For:
  - Reimburse GRF For Diversion Reductions
  - Capital Projects
Diversions Down, But ....

Cap. Proj. Fund
New Diversions Are Being Proposed

● By General Assembly Members:
  – User Fee Increases For Non-Highway Purposes
  – Existing User Fees For Non-Highway Purposes

● In Governor’s Budget:  $85.5 M/Yr.
  – $37 M For Passenger Rail
  – $48.5 M For NE IL Transit
  – Would Remove More Than $500 M In State Funding From IDOT 6-Yr. MYP
TFIC Efforts At State Level

- **FY12-14**
  - No New Diversions
  - Implement Capital Program For All Modes

- **Begin Planning For FY15 & Beyond**
  - Smooth The Boom/Bust Cycles
  - Restore User Fees To Road Fund
  - Provide Adequate Capital Programs For All Modes
The Federal Outlook
Time For A New Federal Authorization

- SAFETEA-LU Provided Federal Hwy./Transit Authorizations For FY04-09
- SAFETEA-LU Expired Sept. 30, 2009
Federal Funding Critical To Illinois

- Illinois Receives:
  - More Than $500 M/Yr. In Transit Funds
  - Around $1.3 B/Yr. In Highway Funds
- Federal Funds Comprise 57% Of IDOT’s 6-Yr. Highway Program
- Federal Funds Comprise Nearly 60% Of NE IL Transit Capital Program
Average Annual Fed. Funding: Highways And Transit

(In $ Billion)

- SAFETEA-LU: $53.7 billion
- FY10: $54.4 billion
- FY12-17 Est.: $40.8 billion
- FY12-17 Goal: $80 billion
Filling The Gap: User Fee Increases

- Administration: No Gas Tax Increase
- Cong. Mica: No Gas Tax Increase
- Sen. Boxer: No Gas Tax Increase
- Deficit Commission: 15 Cent Increase
- Nat’l Survey: No Gas Tax Increase*
- Indexing?

*By Rockefeller Foundation, Feb., 2011
Filling The Gap: Non-Tax Sources Being Discussed

- Concentrate On Core Programs
- Rescind “Unused Moneys”
- Eliminate Earmarks
- Streamline Project Delivery Requirements
- Use Innovative Funding
- Cut Transit
Filling $39 B Annual Gap: Concentrate On Core Programs

Great Idea, But…

- It Does Not Generate Additional Funds
Filling $39 B Annual Gap: Rescind “Unused Moneys”

Good Idea, But…

- Have Rescinded $26.7 B Since SAFETEA-LU
- Had To Restore $8.7 B Of That
- Proposed Rescission Of “Unused Earmarks” Could Generate $700 M
Filling $39 B Annual Gap: No Earmarks In New Bill

Popular Idea, But...

- It Does Not Generate Additional Funds
- It Raises Issues
  - How To Fund Special Projects?
  - How To Handle Congressional Priorities?
  - How To Keep Illinois From Being Donor State?
Filling $39 B Annual Gap: Streamline Project Delivery

Great Idea, But...

- **Time Saved = Money Saved**
  - Each Year Saved In A Project’s Delivery Should Save +/- 3% In That Project’s Cost
  - Not Sufficient Savings To Cover $ Gap

- **Will New Proposed Requirements Offset Streamlining Savings?**
Filling $39 B Annual Gap: Use Innovative Funding

Great Idea, But…

- Does Not Increase Revenues
- Does Increase Borrowing
  - TIFIA: Borrow With Fed. Loans & Credit Support
  - Infrastructure Bank: Borrow From Fed. Bank
  - PPP’s: Borrow From Private Sector
- Best Suited For Major Expansion Projects
Filling $39 B Annual Gap: Gut Transit Funding

Horrible Idea Because…

- Would Generates Less Than $10 B
- Would Worsen NE IL Congestion

In 2009:
- Ave. Delay Per Commuter = 70 Hours
- Overall Cost = $9.5 B
- Truck Cost = $3.3 B
- Without Transit, Overall Delay Hours Rise 25%

Source: TTI Study, Jan. 2011
TFIC: We Need A New Bill Now!

- It Must Be Multi-Year
  - Can’t Make Business Decisions Regarding Hiring, Equipment, Training, Etc. Without Multi-Year Certainty

- It Must Be Multi-Modal
  - Can’t Achieve Overall Efficiencies By Neglecting Parts Of Transportation Network

- It Must Have Adequate User Fee Funding
  - Can’t Reach Funding Goal Without User Fee Increase