



**LOUISIANA STATEWIDE TRANSPORTATION PLAN UPDATE  
ADVISORY COUNCIL MEETINGS – ROUND THREE  
EXECUTIVE**

**January 23, 2014 • 1:30PM to 4:30PM  
DOTD Headquarters, Baton Rouge, LA**

**AGENDA**

**1:30PM to 4:30PM**

**Executive Advisory Council Meeting**

- Welcome Eric Kalivoda, DOTD
- Update of the Statewide Transportation Plan Don Vary, CDM Smith
  - Plan Status
  - Vision, Goals, Objectives, Performance Measures
  - Megaprojects
  - Revenue Scenarios
  - Policy Recommendations
- Freight Plan Initiative Don Vary, CDM Smith
- Briefing on AC Meetings AC Chairs
  - Aviation
  - Community Development & Enhancement
  - Regional Planning Officials | State Highway Operations & Maintenance (Joint meeting)
  - Ports & Waterways
  - Freight Rail
  - Trucking
- Wrap Up/Next Steps Don Vary, CDM Smith



## FORECASTED REVENUE SCENARIOS | FY 2012-2044

### Scenario 1B - "BASELINE"

- Business as usual, no new revenues or adjustments.

### Scenario 2B - "REDUCTION"

- Major reduction in Federal funds (AASHTO, 2012), State funds remain unchanged.

### Scenario 3B - "MODERATE INCREASE"

- Increase in Transportation Trust Fund due to State vehicle sales tax revenue infusion in FY 2020, Federal funds remain unchanged.

### Scenario 4B - "AGGRESSIVE INCREASE"

- State vehicle sales tax revenue infusion in FY 2020 + increase in Federal funds in FY 2020.

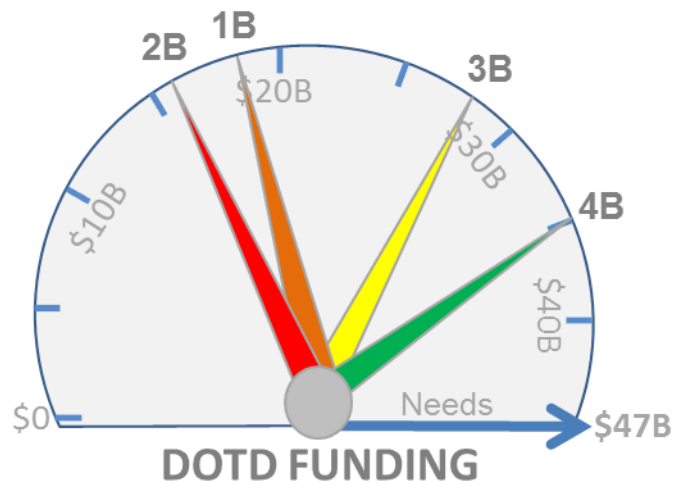
NEEDS = \$47 Billion

Scenario 1B = \$18.6 Billion

Scenario 2B = \$16.1 Billion

Scenario 3B = \$28.1 Billion

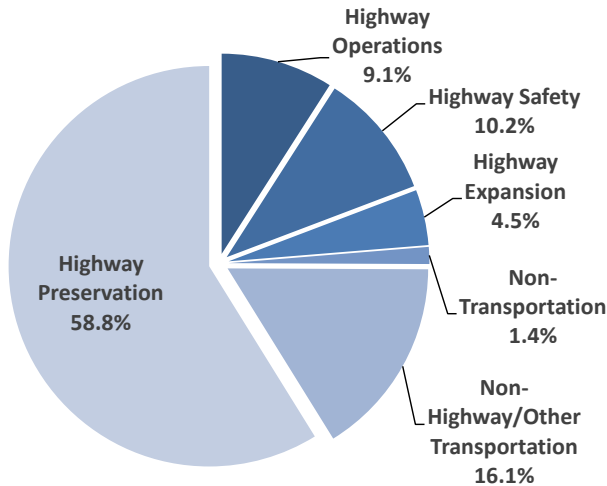
Scenario 4B = \$35.1 Billion



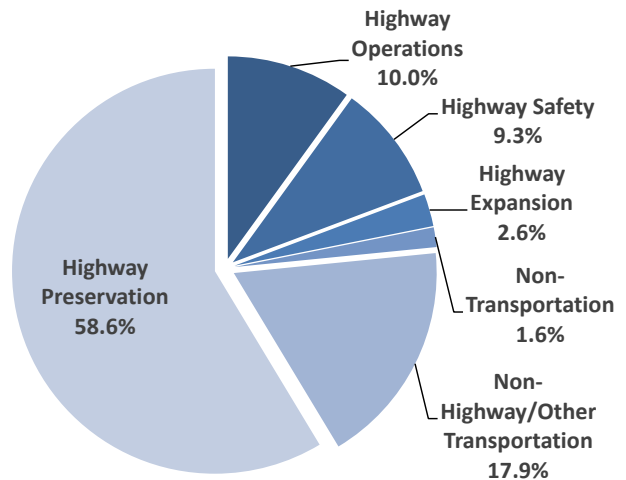
## Forecasted Revenue Scenarios by Mode

Mode	Scenario Revenue Levels [FY 2012 – 2044] Constant 2010 Dollars, in Billions			
	1B	2B	3B	4B
Roadway & Bridge	\$15.6	\$13.4	\$24.5	\$31.0
Transit	\$1.8	\$1.5	\$1.8	\$2.3
Port	\$0.5	\$0.5	\$1.0	\$1.1
Aviation	\$0.7	\$0.7	\$0.7	\$0.7
Rail	\$0.0	\$0.0	\$0.1	\$0.1
<b>Total (Billions)</b>	<b>\$18.6</b>	<b>\$16.1</b>	<b>\$28.1</b>	<b>\$35.1</b>
Annual Average (Billions)	\$0.56	\$0.49	\$0.85	\$1.06

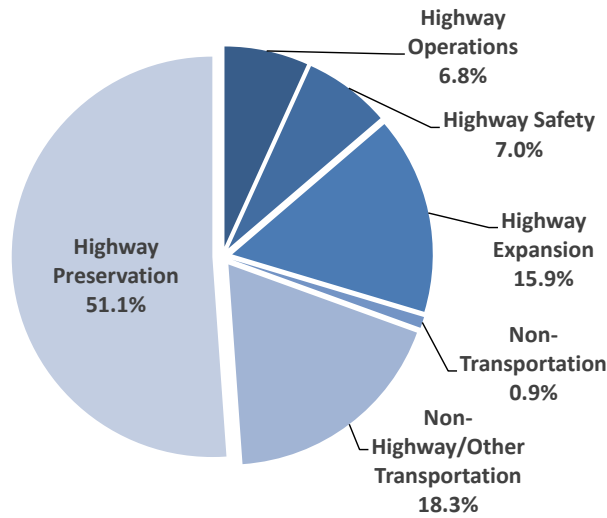
**Revenue Scenario Allocations | FY 2012-2044**



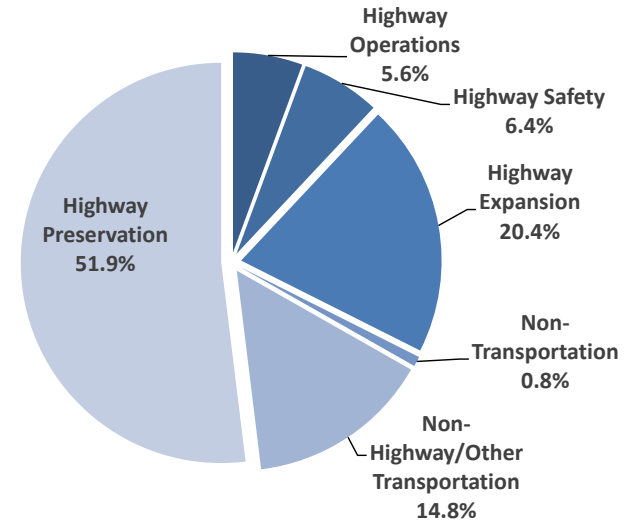
**Scenario 1B – “Baseline”**



**Scenario 2B – “Reduction”**



**Scenario 3B – “Moderate Increase”**



**Scenario 4B – “Aggressive Increase”**

Source: CDM Smith, 2013

Forecasts and information are for planning purposes only.

Assumptions:

- Constant dollars, 2010.
- Federal revenues based on MAP-21, DOTD’s historic suballocations continue.
- State revenues based on Louisiana Revenue Estimating Conference results, considers debt service commitments, other administrative costs deducted.

**FUNDING OPTIONS**

**Needs versus Revenue [FY 2012-2044] = Funding Gap, in Billions**

Mode	Needs	1B – “Baseline” Revenues	Funding Gap
Roadway & Bridge	\$28.2	\$15.6	\$12.6
Transit	\$7.2	\$1.8	\$5.4
Freight & Passenger Rail	\$2.0	\$0.0	\$2.0
Ports & Waterways	\$7.1	\$0.5	\$6.6
Aviation	\$2.6	\$0.7	\$1.9
<b>Total</b>	<b>\$47.1</b>	<b>\$18.6</b>	<b>\$28.5</b>

Note: Constant dollars, 2010. Information is for planning purposes only.

**Potential Funding Options to "Fill the Gap"**



**General Sales Tax:** Replace the 20-cents-per-gallon motor fuel tax with an increase in the statewide sales tax on all items subject to the current Louisiana sales tax.



**Motor Fuels Sales Tax:** Convert the 20-cents-per-gallon gasoline tax to a statewide percentage sales tax applied to the value of the motor fuel purchased (or add a smaller sales tax).



**VMT Fee:** Assess a mileage-based, direct user fee to all driving on all roads.



**Local Options:** Local funding options such as local motor fuel taxes, local vehicle registration fees, property taxes, local option sales taxes, and local income taxes.



**Advanced Transportation District:** Regional tax districts which may be established to fund transportation projects.



**Tolling:** Fees directly imposed to utilize a specific facility.



**Indexing Motor Fuel Taxes:** Ties motor fuel taxes to an inflation index (eg. Cost of Living Index, Consumer Price Index.) allowing revenues to grow without legislative action.



**Project Specific Tax:** A sales or motor fuels tax for a specified period to cover the cost of one or more projects (eg. TIMED Program).



**Registration Fees:** Increase vehicle registration fees.



**Violation Surcharge:** A surcharge on certain traffic violations in addition to normal court-inflicted penalties with proceeds allocated to specific public programs (eg. transportation).

## Revenue Potential of Funding Options

Funding Option	Potential Yield
<b>General Sales Tax</b>	1-cent sales tax could generate \$650 million/year
<b>Motor Fuels Sales Tax (% of Value)*</b>	7% would have generated \$100M in additional \$ (2012)
<b>VMT Fee</b>	One-cent per-mile fee could raise \$32.4 billion <u>nationally</u> (2010)
<b>Local Options</b>	Yield varies based on population size and amount of tax levied
<b>Advanced Transportation District</b>	Yield varies based on district size/boundaries
<b>Tolling</b>	Yield varies depending on toll rates and traffic
<b>Indexing Motor Fuel Taxes</b>	Yield varies depending on indexing mechanism
<b>Project Specific Tax</b>	Yield varies according to project cost and public willingness
<b>Registration Fees</b>	An effective \$1 increase in vehicle registration fees may generate about \$4 million
<b>Violation Surcharge</b>	\$25-\$40 million annually if similar to recent initiative in another state

Source: CDM Smith, 2013.

\*Replace state gas tax with 7% motor fuels sales tax.

## Evaluation of Funding Options

Funding Option	Potential Yield	Sustainability
<b>General Sales Tax</b>	Moderate	High
<b>Motor Fuels Sales Tax (% of Value)</b>	Moderate	High
<b>VMT Fee</b>	High	High
<b>Local Options</b>	Moderate	Moderate
<b>Advanced Transportation District</b>	Low	Moderate
<b>Tolling</b>	Moderate	Moderate
<b>Indexing Motor Fuel Taxes</b>	High	High
<b>Project Specific Tax</b>	Low	Low
<b>Registration Fees</b>	Moderate	Moderate
<b>Violation Surcharge</b>	Moderate	High

Source: CDM Smith, 2013.