

Louisiana Statewide Transportation Plan Update



Community Development & Enhancement
Advisory Council Meeting – Round Three
Baton Rouge, LA

January 22, 2014

**CDM
Smith**

Agenda

Welcome/Introductions

Questions

Revenue Scenario Discussion

Policy Recommendations Discussion

Megaprojects

Plan Implementation Discussion

Wrap Up/Next Steps

Revenue Scenario Discussion

- 4 Scenarios developed – 1B, 2B, 3B and 4B
- Funding allocation based on Needs, Goals and Objectives
- To be approved by Executive Council and Policy Committee

Revenue Scenario Discussion

Scenario 1B “Baseline”:

- Business as usual, no new revenues or adjustments.

Scenario 2B “Reduction”:

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

Scenario 3B “Modest Increase”:

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

Scenario 4B “Aggressive Increase”:

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

Revenue Scenario Discussion

NEEDS = \$47 Billion

Scenario 1B = \$18.6 Billion

Scenario 2B = \$16.1 Billion

Scenario 3B = \$28.1 Billion

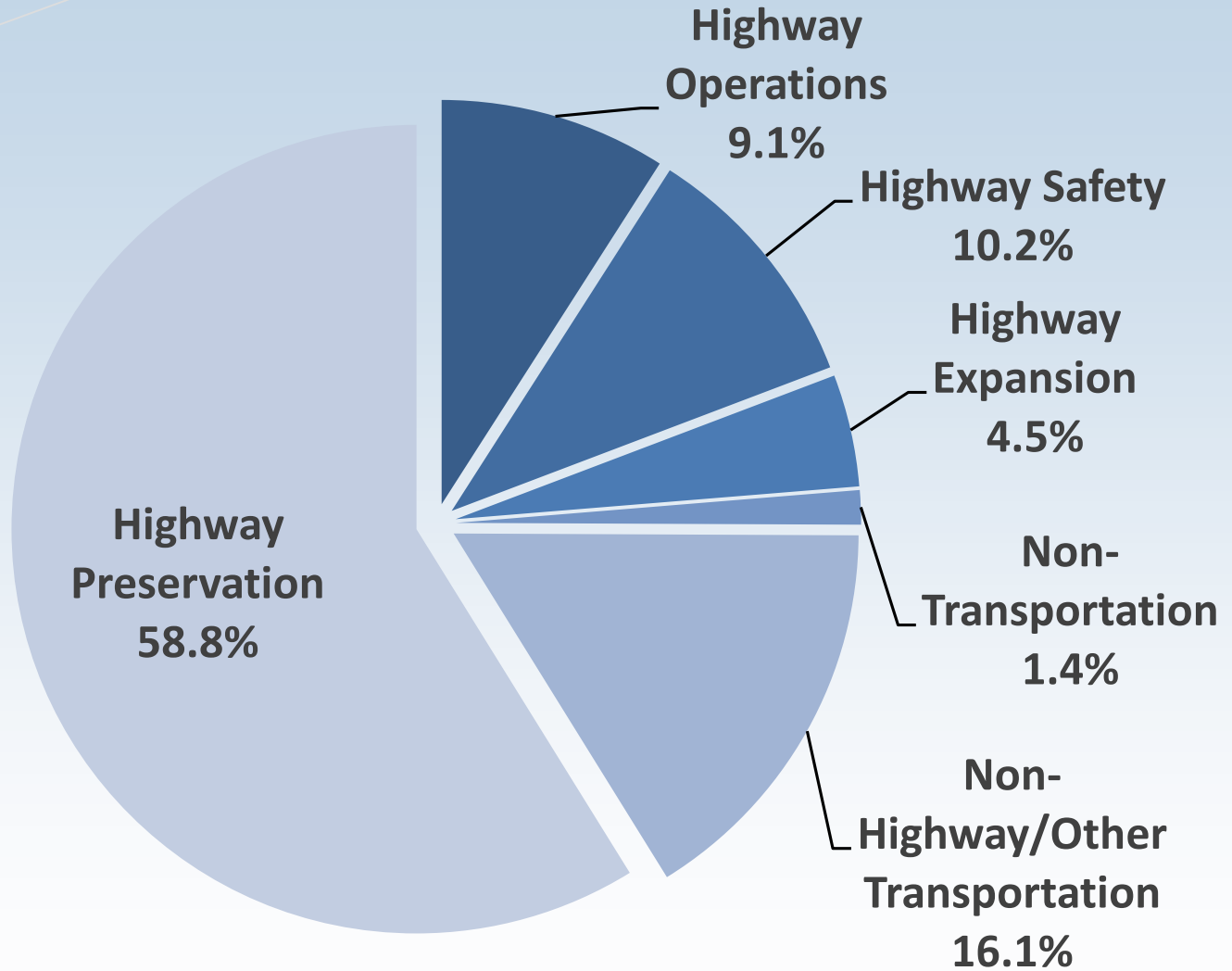
Scenario 4B = \$35.1 Billion



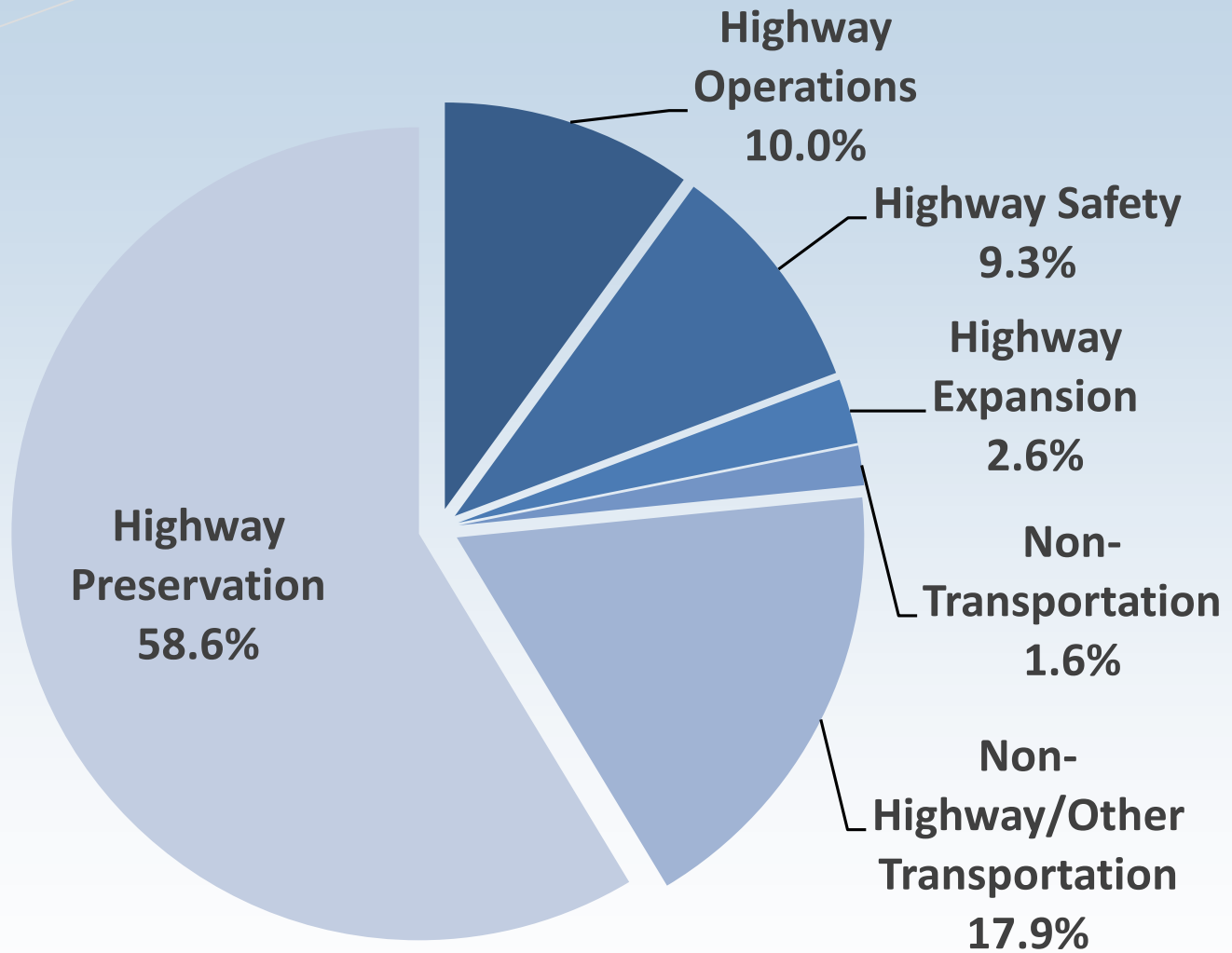
Revenue Scenario Discussion

| 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 |
| Total (Billions) | \$18.6 | \$16.1 | \$28.1 | \$35.1 |
| Annual Average (Billions) | \$0.56 | \$0.49 | \$0.85 | \$1.06 |

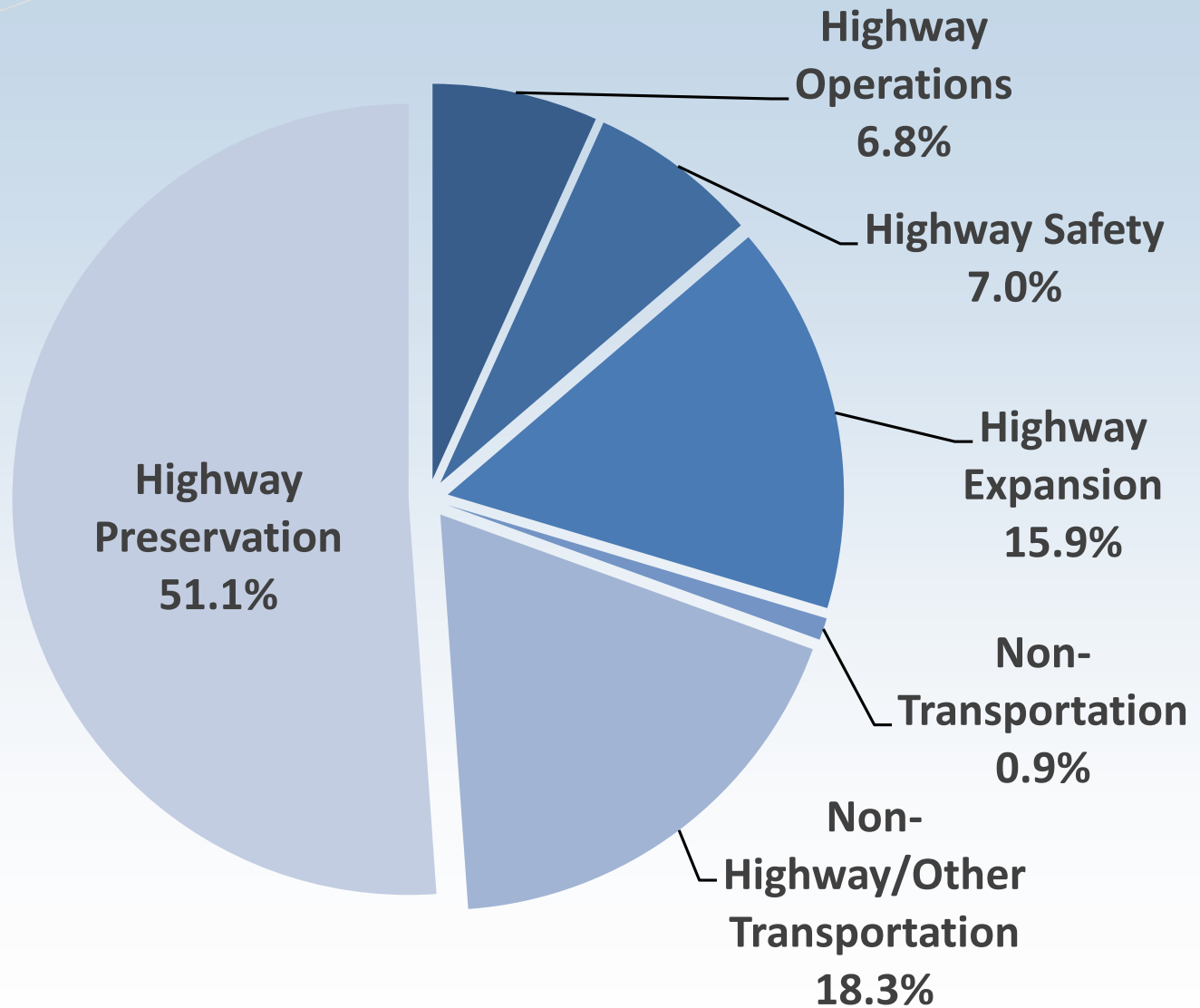
Scenario 1B – “Baseline” Allocation



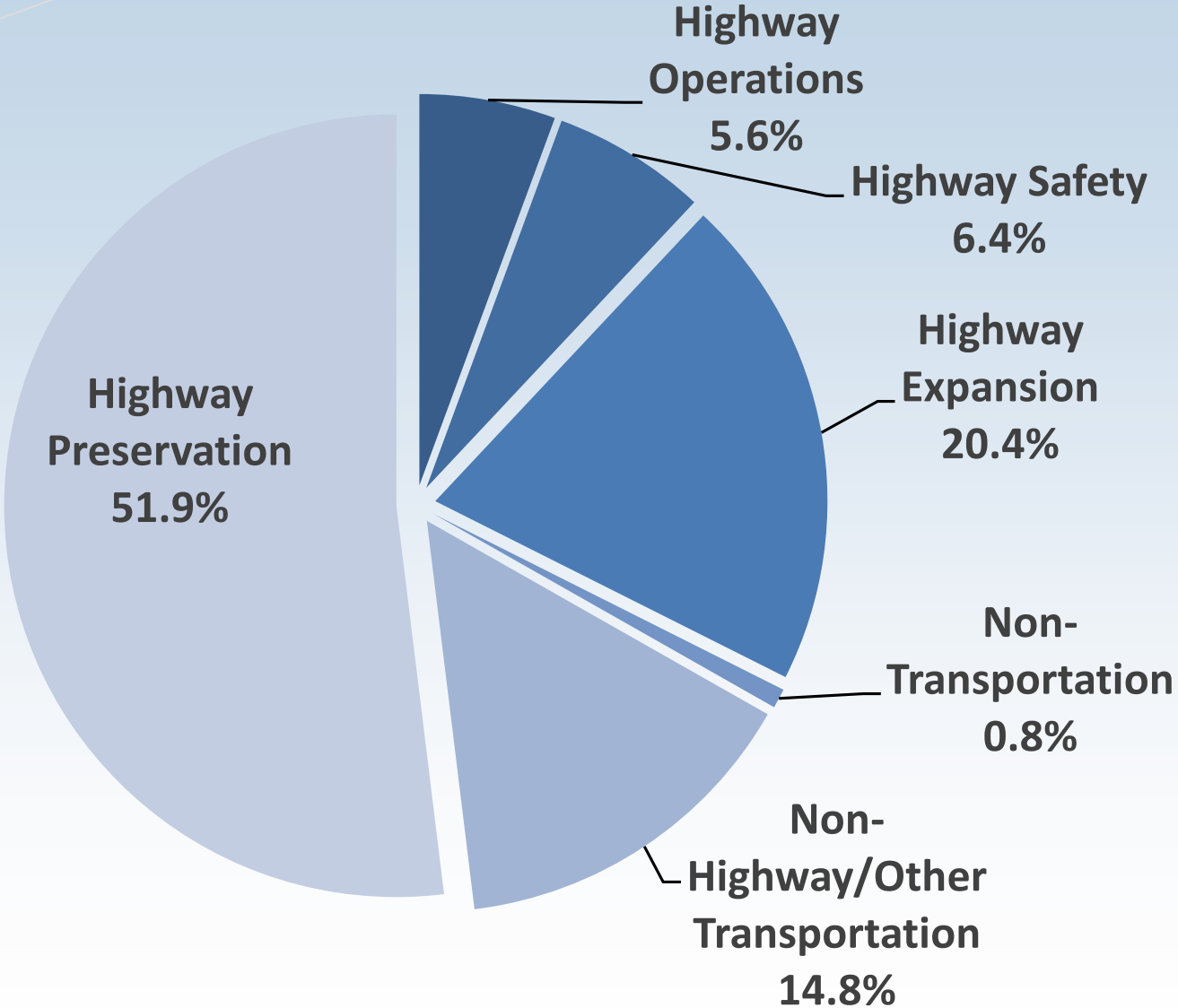
Scenario 2B – “Reduction” Allocation



Scenario 3B – “Moderate Increase” Allocation



Scenario 4B – “Aggressive Increase” Allocation



Budget Line Items by AC

- 2012 Distribution
- Forecasted Revenue for FY 2022, 2032, and 2042
- Four Scenarios
- Line item descriptions

Funding Gap

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 |
| Total | \$47.1 | \$18.6 | \$28.5 |

Funding Options



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).

Funding Options Evaluation

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

Source: CDM Smith, 2013

Revenue Scenario Activity

- Divide into 2 groups
- Review funding scenarios – choose most realistic scenario
- Discuss funding allocation and budgeted line items for chosen scenario
 - Would you re-allocate it? How?
- Review funding options to “fill the gap” – which ones do you think can be accomplished?
- Do you have other funding ideas?
- Report back to the group



Policy Recommendations

- Updated from October 2013 AC Meeting comments
- Organized by Goal area
- Added revenue scenarios
- Added budgeted line item if applicable
- Added cost category assumptions



Policy Recommendations

- Confirm ratings
- Confirm that the list of policies is complete
- Consider additional policy “topics”

Community Development & Enhancement Megaprojects (\$Millions)

| Name | Limits | Priority | Total Cost | \$ from DOTD |
|------|--|----------|------------|--------------|
| Rail | BR to NO Intercity Passenger Rail | B | \$470 | \$0 |
| Rail | NO CBD to NO Airport High Speed Passenger Rail | C | \$500 | \$0 |
| Rail | Shreveport to Dallas High Speed Passenger Rail | C | \$160 | \$0 |

Plan Implementation Discussion

- What are the key items DOTD should focus on to implement the Statewide Transportation Plan?
- How should this plan be measured for success?
- How should DOTD and its partners (you) use this plan?



Wrap Up/Next Steps

- Megaprojects – Executive Council/Policy Committee Approval
- Policy Recommendations – Executive Council/Policy Committee Approval
- Draft Final Plan – Spring 2014
 - Advisory Council Review
- Final Plan – Summer 2014

Thank you!



<http://www.dotd.la.gov/study/>



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