

The Traveler

Summer 2009

Message from the Co-chairs	1
Win for Transit	2
Turnpike Authority Breaks Ground	3
The Budget: Transportation	3
Stimulus Funding in NC	4

Looking at the Big Picture*By Marc Finlayson and Berry Jenkins, NC Go! co-chairs*

If any single word prevailed in this year's legislative session, it would be "budget." It doesn't take a policy expert to know that from early in the session until its protracted end in August, the session revolved around financial projections, revenue, taxes and other components of the state's fiscal year 2009-2010 budget.

For transportation advocates, there were highs and lows. The highs were the passage of HB 148 (the Congestion Relief and Intermodal Transportation 21st Century Fund) and the kick-off of the first NC Turnpike Authority (NCTA) project. HB 148 finally passed both houses in the waning days of the session, one of the final actions by legislators eager to return to their homes. And NCTA broke ground on the Triangle Expressway, a 19-mile toll road that will usher the state into a new age of revenue collection.

Transportation projects, like many other priorities in North Carolina, faced an uphill battle due to shrinking revenues and growing needs throughout the state. Public and higher education, public safety, and health and human services all suffered cuts in a budget that reflected the estimated \$4.5 billion budget gap. Transportation had its share of freezes and cuts as well; the Highway Fund appropriation is more than \$62 million lower than in FY 08-09, and the Highway Trust Fund will see a \$133 million reduction. For all the cuts facing critical projects, the NCDOT will also feel the pinch with administrative and salary cuts across the board.

Despite budget constraints, NCDOT continues to evolve as part of its transformation. The organization is becoming more transparent, improving communications with the public, restructuring to create efficiencies, and working to improve program delivery. All these actions should improve legislative and public confidence in the agency—critical to gaining support for additional transportation funding.

One bright spot for transportation projects in our state is our share of federal stimulus dollars. The American Recovery and Reinvestment Act, signed into law February 17, 2009, will provide NCDOT with \$838 million in federal funding. North Carolina will receive \$735 million for highway and bridge improvements and \$103 million for transit. The stimulus money will help preserve and create jobs as well as get vital projects moving.

Unfortunately, that infusion of money only offsets the projected shortfall facing transportation funding over the next three years – estimated at around \$900 million. But, one action by the legislature will help to address declining

*(Continued on page 2)****The Traveler***published by *NC Go!****NC Go!***

1201 Edwards Mill Road
First Floor
Raleigh, NC 27607
(919) 882-1969
ncgo@ncgo.org

If you have an idea or article for the newsletter, please submit it via e-mail to ncgo@ncgo.org.

NC Go! Executive Committee

Betsy Bailey
Professional Engineers of NC

Christie Barbee
Carolina Asphalt Pavement Association

Bruce Beasley
Wilson Chamber of Commerce

Jim Blackburn
NC Association of County Commissioners

Marc Finlayson, Co-chair
Highway 17 Association

Larry Goode

Berry Jenkins, Co-chair
Carolinas AGC

David King
Triangle Transit

Michael Krannitz
Stewart Engineering

Joe Milazzo
Regional Transit Authority

Kathryn Sawyer Westcott
American Council of Engineering Companies of NC

Jay Stem
NC Aggregates Association

Amber Wagner
NC Public Transportation Authority

Julie White
NC Metropolitan Coalition

(Continued from page 1)

transportation revenue. A “floor” has been placed on the motor fuels tax and the cap placed on it several years ago has been removed. That action has the potential to put millions of dollars back into transportation projects.

When viewed from recent actions, transportation had a so-so year. There were budget cuts, stimulus dollars, authorization for local transit funding and protection of the motor fuels tax.

But rewind to just over a year ago when *NC Go!* had six priorities for the state. They were: 1) End diversion from the Highway Trust Fund; 2) Preserve existing funding (gas tax); 3) Permit local option transportation funding; 4) Allow tolling for urban projects and loops; 5) Align the Highway Use Tax with neighboring states; and 6) Consider fundamental reform for transportation funding.

During 2008 and 2009 sessions, we have made great headway; **our first four priorities have been achieved.** Transportation advocates should recognize that their actions make a difference and legislators are listening. Fundamental financing reform will not be a simple matter, but it can become our primary focus moving ahead. In doing so, we can not just return to being the *Good Roads State*, but instead make North Carolina the *Good Transportation State*.

Counties Win Right to Vote on Transit

Few bills in recent memory had such a long journey through the legislature as HB 148, *The Congestion Relief and Intermodal Transportation 21st Century Fund*. And likewise, few had such a diverse display of support from start to finish. Thanks to the efforts of our advocates, partnering organizations and legislative champions at the General Assembly, the “Transit Bill” is now awaiting signature by Governor Perdue.

The legislation authorizes counties to hold referenda on local sales tax to be designated for transit projects. In Triangle and Triad counties the option is for ½ cent and in all other counties (except Mecklenburg), the option is for ¼ cent. Mecklenburg County already has the option and had been funding transit projects for several years thanks to voter approval of a ½ cent tax. In addition, counties may also increase vehicle registration fees to raise transit funding.

The legislation was introduced a week and half after the session began in late January yet only was ratified on August 11 – the same day the session ended. Despite the delays, support for the bill never wavered. More than 50 organizations rallied together to urge the legislature to pass the legislation – first recommended by the 21st Century Transportation Committee.

The diverse groups ranged from the NC Chamber and the Carolina Asphalt Pavement Association to the Sierra Club and AARP of North Carolina. Advocates for business, the environment, transit and the road construction industry came together and successfully urged legislators to give all counties the same flexibility Mecklenburg County has in determining how to meet local transportation needs.

NC Go! commends not only the advocates and our partner organizations, but the primary legislative sponsors – Representatives Becky Carney (D-Mecklenburg), Deborah Ross (D-Wake), Lucy Allen (D-Franklin, Halifax & Nash) and Bill McGee (R-Forsyth), and Senator Richard Stevens (R-Wake) – for their commitment to bettering mobility in our state.

Turnpike Authority Launches First Toll Project

On August 12, 2009, the North Carolina Turnpike Authority (NCTA) kicked off its first toll project in the state with a groundbreaking for the Triangle Expressway. The project is comprised of three segments: the Triangle Parkway, the Western Wake Freeway and an existing open section of 540 linking NC 55 and NC 54. The Triangle Parkway is expected to open to traffic in 2011 and the Western Wake Freeway should open in 2012.

The Triangle Expressway will cover 19 miles and is expected to save drivers up to 20 minutes per round trip between Holly Springs and Research Triangle Park. The fare is estimated to be between 14 and 42 cents per mile, and will be collected using an electronic toll system - which will not require drivers to stop. Windshield transponders will link vehicles to prepaid accounts.

The project is being financed through a combination of federal and state money – a \$386 million Federal Transportation Infrastructure

Finance and Innovation Act loan and \$624 million in toll revenue and state appropriation bonds. The funding will be repaid with toll revenues. NC Transportation Secretary Gene Conti estimates that the project will create or preserve 30,000 jobs.

NC Go! has long supported the implementation of tolling on certain projects to help speed their completion. Without tolling, projects like the Triangle Expressway would be delayed decades waiting for funding. Instead, drivers who will be using the roads will help pay for their early completion – the most equitable and targeted system of “user pays” revenue collection.

For drivers who prefer not to pay the toll, NC 55 will remain a free option for western Wake County travel.

For more visit:

www.ncturnpike.org/projects/Triangle_Expressway

The Budget – Winners and Losers

Overall, transportation funding in our state will see about \$195 million less than in FY 08-09. Clearly budget constraints throughout the state have hurt programs at all levels, ranging from education to health and human services. For transportation, two primary streams of revenue have dropped due to the weak economy. Citizens are driving fewer miles and purchasing less gas and diesel—thus yielding lower tax revenue from the motor fuels tax. Also, fewer vehicles are being purchased which equates to less funding through the highway use tax.

The Highway Fund, which covers overall operation for the NC Department of Transportation, will receive \$1.73 billion in FY 09-10, or a reduction of more than \$62 million. Items of note include:

- \$50 million reduction for secondary road improvement (redirected to the overall state highway system)
- \$41 million for maintenance of the state highway system
- \$2 million reduction in aviation funds
- \$21.5 million reduction in public transportation funds

The Highway Trust Fund, designated for improving (not just maintaining) the highway system, will receive \$881 million in FY 09-10, a reduction of \$133 million. Noteworthy cuts include a decrease of \$78 million for improvements on the intrastate system and a decrease of \$31 million for urban loop projects.

While remaining cognizant of the fragile state of the economy, *NC Go!* will continue to advocate for increased investment in transportation as a means to create jobs and economic opportunities.

Stimulus Funds Come to North Carolina

With the signing of the American Recovery and Reinvestment Act into law in mid-February, North Carolina was put on the road to receiving \$838 million in federal funding for transportation projects.

Thanks to the proactive efforts of the NC Department of Transportation, our state was well-positioned in the race for stimulus money - determining ahead of schedule projects that met the criteria established in the legislation. Those criteria included projects that were “shovel-ready” or quickly executable as well as that create and sustain jobs.

In February, DOT identified about 70 highway and bridge projects in counties throughout the state, totaling about \$466 million. In April, an additional 64 projects, totaling about \$209 million, were announced. Combined, the highway and bridge projects to date total \$679 million.

Stimulus funds were also provided for public transportation with 140 transit projects across the state receiving recovery money. Twenty-one urban transit systems will receive \$70 million for 77 projects while rural areas of the state will receive \$33 million for projects. In total, these projects are expected to create or retain more than 3,200 jobs.

To view more about stimulus funding at work and associated projects, visit www.ncdot.org/recovery/

Become and Transportation Advocate!

Our success in the legislative session on HB 148 is proof that advocates’ voices are being heard. Showing unified support for transportation funding will be critical as we move into future discussions about reforming the way revenue is raised and collected in our state.

Help educate lawmakers by joining the *NC Go!* Legislative Action Network— or encourage friends and colleagues to do so. It only takes a few minutes to join and you will be linked to news about transportation and transportation policy. Visit <http://capwiz.com/ncgo/home> to learn more or join today.



Why join the Legislative Action Network?

- The more advocates who can be heard by legislators, the better our chance of being heard.
- All the tools you need are a few clicks away, provide basic information and you can be signed up in two to three minutes.
- Recruit others - Anyone who is concerned about traffic congestion, public transportation, safety or economic prosperity should be involved.
- Now's the time to get involved. Demand action from elected leaders in addressing transportation issues.