

DELAWARE’S TRANSPORTATION NEEDS – INVEST NOW

Creating and maintaining our transportation infrastructure is a vital component of Delaware’s economic well-being and essential to much needed job creation and retention for our State. Recently, the Commonwealth of Virginia and State of Maryland have passed legislation that will generate a combined \$8.5 billion dollars in additional revenue for their respective DOTs over the next 5 years. Conversely, in Delaware, we have seen a lack of planned investment in the state’s transportation infrastructure and a continuation of the high unemployment rate in the construction related fields.

There are many myths and misinformation regarding infrastructure revenue that is creating a false picture of the Transportation Trust Fund (TTF) which may be discouraging elected officials from taking action.

The Myth	The Fact
Additional revenue is not needed for the TTF as DelDOT is maxed out on the amount of work they can produce anyway.	Private sector engineering partners have had to layoff personnel and are pulling in work from out of state to keep their Delaware offices viable. The state unemployment rate in the construction industry is hovering around 25%. The private sector, partnering with the State, has the available capacity to efficiently produce more work resulting in improved infrastructure and more Delawareans in the work force.
The FY14 Capital Budget Request has allocated \$184 million for state capital improvements.	Only \$92 million of the Capital Budget is for transportation and infrastructure improvement projects that will maintain or create meaningful jobs.
There is already enough money in the TTF.	DelDOT recently delayed and/or postponed over 50 projects including 13 federally funded Highway Safety Improvement Projects and 10 intersection projects due to lack of available funds in the TTF.
The TTF funds only capital transportation projects.	The TTF was established in 1988 to fund only capital transportation projects. However, since that time DelDOT Operating Expenses and the DMV operating expenses have been moved into the TTF. The Governor's Office is currently considering moving the State Planning Office operating expenses into the TTF.
All of Delaware's transportation funding comes from the TTF.	Shortfalls in the TTF have required the State to utilize escheat fund revenues to cover a portion of these short-falls. Escheat funds are not a reliable source of revenue to support a long term capital program.

KEY POINTS:

- It is important to “re-fuel” the project production pipeline by initiating the planning and engineering design of new transportation projects immediately.
- Every \$1 invested in highway construction generates up to \$8 in economic output.
- An additional \$100 million dollars of investment into the TTF would support 3,000 jobs.

ACTION REQUESTED:

- Encourage greater partnerships with the engineering community to deliver the needed transportation improvements to the public.
- Support strengthening the TTF by implementing some of the 2011 recommendations of TTF Task Force.
- Consider taking advantage of low interest rates by borrowing in 2013 to generate additional revenue to immediately fund delayed / canceled transportation, bridge and safety improvement projects.