



Surface Transportation Funding

ISSUE

"I think it has been well-established that Nebraska's transportation system plays a vital role in the quality of its citizens' lives. The state's economy is heavily dependent upon the agricultural and transportation industries. Having a robust and quality highway system is not only vital to the movement of goods and people, it is absolutely essential to the development and success of this state," Senator Deb Fischer during her closing remarks at the 2010 Nebraska Surface Transportation Funding Conference.

The transportation engineering industry has long recognized the importance of an efficient and reliable transportation system to the economic success of Nebraska and the Nation. The State's transportation systems are the foundation for the efficient movement of people and goods, and are crucial for economic development, business retention and expansion, and job creation throughout Nebraska.

KEY POINTS

- Transportation investment creates short and long term economic growth. Every \$1 billion in spending on infrastructure supports over 34,000 jobs.
- Each dollar invested in highway construction generates \$1.80 of GDP in the short term.
- A transportation system takes a long time to develop and requires a steady investment to maintain and enhance the system.
- As reported by NDOR, our current funding system is producing flat to declining revenue for roads, while at the same time inflation is eating away its buying power.
- At the current funding levels, NDOR is essentially in a preservation and maintenance mode. The size of NDOR's construction program will have dropped from \$390 million in FY-06 to approximately \$310 million in FY-13. Yet the needs of the State continue to escalate, creating an estimated \$7.5 B gap in funding over the next 20 years.
- A program with certainty to transportation planners and facilitate the investments is necessary to meet our surface transportation needs.

ACTION REQUESTED

ACEC-Nebraska urges Nebraska Legislators to pass an authorization bill with robust funding increases and mechanisms to ensure adequate and stable funding sources for meeting the transportation improvement needs of Nebraska for the next 20 years. More specifically, ACEC-N supports:

- Consideration of additional innovative funding sources to close the gap between identified needs and funds available to meet those demands such as the motor fuel tax, vehicle registration fees, a sales tax for transportation.
- Require economic development, job creation, and local financial support be included as factors in establishing project priorities.
- Utilize bonding as a funding option with added flexibility by implementing a "debt service to revenue cap" as the basis for the amount of debt that may be issued to fund the construction of transportation infrastructure.
- Dedicate revenue streams directly to transportation.
- Maintain transportation funding from state to local governments for local transportation infrastructure needs.
- Greater utilization of private sources of capital.
- Implement a new funding sources from non-fossil fuel vehicles that share the highways and roads.