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What’s Brewing in Washington – A Look at the Successor to TEA21 Transportation Funding

Original Presentation
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Moderator: Sarah S. More, AICP
Planning Administrator
Comprehensive Planning Task Force
Tucson, Arizona

Panelists: Jason Jordan
Government Affairs Manager
American Planning Association
Washington, D.C.

Karin McGowan
Policy and Legislative Director
Denver Regional Council of Governments
Denver, Colorado
Sarah S. More, AICP, worked for the City of Tucson Planning Department, now the Comprehensive Planning Task Force, for over 23 years. Currently she serves as Planning Administrator of the Urban Design and Code Revision Division. She has held numerous positions within the Department. Her current assignments include city-wide urban design guidelines, urban infill, Davis-Monthan Air Force Base environs land use compatibility study, the Planning Commission, Rio Nuevo/Downtown specific plan, and departmental legislative liaison.

Ms. More is a former President of the Women’s Transportation Seminar, Tucson Chapter; former President of the Arizona Planning Association; and has served on the APA National Board of Directors. Sarah has been an advocate for land use and transportation legislation at the state and national level for many years. She has her bachelor’s degree in Urban Studies from Washington University in St. Louis and a Master of Public Administration from the University of Arizona.

Jason Jordan currently serves as manager of government affairs for the American Planning Association, Washington, D.C. APA represents more than 35,000 practicing planners, local officials, and smart growth activists and is the leading organization promoting progressive land-use planning strategies. He is the organization’s primary liaison to Congress and the Federal Agencies on legislation and public policy related to land use planning and community livability and is responsible for APA’s legislative advocacy and grassroots program. Previously, Jordan worked on issues of smart growth and economic development for the Council for Urban Economic Development and the American Chamber of Commerce Executives. Jordan also worked for former United States Senator Max Cleland. He is the author of several articles and reports on community development strategies and the politics of smart growth. Jordan received degrees from Emory University and American University.

Karin McGowan is the Director of Policy and Legislative Development for the Denver Regional Council of Governments. She has helped guide policy and legislative direction for the Denver Regional Council of Governments (DRCOG) since 2001. In this position, she is responsible for the development and implementation of the Board’s policies and positions on transportation, growth, aging, and environmental quality issues.

Prior to her position as director at DRCOG, Ms. McGowan worked under Governor Roy Romer as Deputy Director of the Office of Policy and Initiatives and as a policy advisor on transportation and growth issues. Her most notable work included representing the Governor’s and Colorado’s position on the federal transportation reauthorization bill (TEA-21), successfully working with the Colorado Department of Transportation in authorizing $90M in state revenue to get the T-Rex project on south I-25 authorized in the federal program, and negotiating “flexible funding” into a major state transportation bill that resulted in $10M available for multi-modal projects.

Ms. McGowan also worked for the Great Outdoors Colorado Trust Fund, which oversees Colorado lottery revenues and distributes them for parks, open space, wildlife, and recreation projects. As Assistant Director for External Affairs, she worked on successfully getting legislative approval for the Trust to bond lottery revenues to purchase significant open space parcels in the state.
Federal Transportation Reauthorization Update

March 12, 2004

For Rocky Mountain Land Use Institute

[Logos for DRCOG and APA]
Where Are We Now?

- **Administration**
  - SAFETEA
  - $256B

- **House**
  - TEA LU
  - $375B....(?279B?)

- **Senate**
  - SAFETEA
  - $318B
## Comparing Funding Levels
(six year comparisons)

Sources: House Committee on Transportation and Infrastructure, US Department of Transportation

<table>
<thead>
<tr>
<th></th>
<th>TEA-21 (Admin)</th>
<th>SAFETEA (Admin)</th>
<th>TEA LU (House)</th>
<th>SAFETEA (Senate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Highway Projects</strong></td>
<td>$174B</td>
<td>$204B</td>
<td>$298B</td>
<td>$255B</td>
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<tr>
<td><strong>Transit Funding</strong></td>
<td>$41B</td>
<td>$45.7B</td>
<td>$69.2B</td>
<td>$56.5B</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>$3B</td>
<td>$6B</td>
<td>$7B</td>
<td>$6B</td>
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</table>
What do these funding levels mean?

- To maintain today’s federal highway program dollar purchasing power, Congress would have to increase funding to $268B through FY 09

- It is not possible to provide an increased minimum guarantee of 95% back to all the states at the Administration’s or “new” House funding levels
Funding Levels and Sources
“The biggest issue”

- SAFETEA & TEA-LU both larger than administration’s proposal
- Secretary Mineta’s “VETO” Letter to Senate

* Transportation infrastructure spending should not:
  * rely on an increase in gas tax or other federal taxes
  * be funded through bonding or mechanisms that conceal the true cost to taxpayers
  * should not be financed through the General Fund
“Painless” Funding Options

<table>
<thead>
<tr>
<th>Options</th>
<th>Amount Raised Over Six Years</th>
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</thead>
<tbody>
<tr>
<td>Highway Trust Fund Revenues (no changes)</td>
<td>$187B</td>
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<tr>
<td>Fuel Tax Evasion</td>
<td>$6.0B</td>
</tr>
<tr>
<td>Draw Down Highway Trust Fund Reserves</td>
<td>$4.4B – $12B</td>
</tr>
<tr>
<td>Interest from Highway Trust Fund</td>
<td>$2.6B</td>
</tr>
<tr>
<td>Transferring Ethanol Tax &amp; Abolishing Exemption of Gasohol Tax</td>
<td>$14.1B</td>
</tr>
<tr>
<td>Total</td>
<td>$214-222B</td>
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Source: Urban Mobility Corporation
## “Contentious” Funding Options

<table>
<thead>
<tr>
<th>Option</th>
<th>Amount Raised Over Six Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Urban Mobility Corporation</td>
<td></td>
</tr>
<tr>
<td>Tolling or HOT Lanes</td>
<td>$50B</td>
</tr>
<tr>
<td>Indexing Fuel Tax to CPI</td>
<td>$15B</td>
</tr>
<tr>
<td>(assumes 2.4% inflation rate/yr.)</td>
<td></td>
</tr>
<tr>
<td>Bonding</td>
<td>$50B? ($15B debt service)</td>
</tr>
<tr>
<td>Raising the Gas Tax One Cent</td>
<td>$11.4B</td>
</tr>
<tr>
<td>(each penny raises $1.9B/year)</td>
<td></td>
</tr>
<tr>
<td>Using General Fund</td>
<td>????</td>
</tr>
<tr>
<td>Tax “Loop” Options</td>
<td>????</td>
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MPO Issues for Reauthorization

- Metropolitan Planning Funds
- Suballocation of CMAQ and STP urbanized funds
- Streamline Project Delivery and Air Quality Conformity Process
APA Issues for Reauthorization

- MPO Funding
  - PL Funds
  - Capacity Building
- Suballocation
  - STP & CMAQ
  - HR 3511
- Planning Process
- Transit
  - Guaranteed Funding
  - 80:20 Ratio
  - Local Match Rate
  - Small Starts
- Bike & Pedestrian
  - Safe Routes to School
  - Planning involvement
- Enhancements
- Environment
  - Stormwater
  - Wildlife / Open Space Plans
  - Streamlining & 4(f)
- Equity
  - JARC
  - Participation
Other Issues

- Minimum Guarantee/Equity Bonus
  - Donee vs. Donor States
- Environmental Streamlining
  - NEPA/EIS Transportation Planning Process
- Air Quality Conformity
What Is New In S. 1072?

SAFETEA (Senate)

Highways

- Infrastructure Performance & Maintenance Program
- National Surface Transportation System Study
- Freight Gateways and Connections
- National Commission on Future Revenue Sources
- Safety Program
- Environmental Planning and Review
- Transportation Development Process
- Air Quality Conformity
- Storm Water Set-Aside
- Safe Routes to Schools
What Is New in S. 1072?

SAFETEA (Senate)

Transit

- Generally retains current federal transit program structure (new starts, rail modernization, bus), including federal match for programs (80/20)
- New Starts Program
- Small Starts Program
- Right of Way Acquisition
- Transit in Parks Program
What Is New in HR 3550?

TEA-LU (House)

Highways

- Emphasis on Safety and Freight (similar to SAFETEA)
- Congestion Relief Program
- Highways for Life
What Next?

- Congress passes another extension

OR

- Congressional transportation leaders agree to lower their sights and settle on a more modest funding level