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# MEMORANDUM

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Date: October 29, 2014

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Statewide Ballot Issues on Transportation Funding**

As you may recall, over the past decade, the Arizona Legislature has diverted over \$900 million of Highway User Revenue Funds to balance the state budget. Two states now have constitutional amendments on the November 2014 ballot that would prohibit such actions.

Wisconsin, in response to three separate diversions of transportation funds totaling \$1.4 billion, now has a ballot measure that would advance a constitutional amendment to protect transportation funds from future diversion.

Maryland has a similar proposal, as over the last few years, state lawmakers have also taken more than \$1 billion of transportation funding to balance their state budget. Maryland also now has a constitutional amendment on the ballot to protect transportation funding.

CHH/anc

Attachment

c: John Bernal, Deputy County Administrator for Public Works  
Priscilla Cornelio, Director, Department of Transportation

# 3 States Consider Ways to Maximize Existing Transportation Money

*Voters in Louisiana, Maryland and Wisconsin will all weigh in on proposals that, supporters say, will make existing transportation resources go further.*

BY: [Daniel C. Vock](#) | October 27, 2014

**ELECTION 2014:** *This article is part of our coverage of ballot measures to watch.*

Next month's transportation- and infrastructure-related ballot measures conveniently fall into two categories. The first, which [Governing has covered extensively](#), involves dedicating new money for infrastructure. The second, though, deals with how states spend the money they're already collecting.

That latter issue is what voters in Louisiana, Maryland and Wisconsin will be deciding next week. Louisiana lawmakers want to change their constitution to allow for the creation of a state infrastructure bank. "The genesis of the infrastructure bank is to find another way to make funds available for transportation projects, since we haven't been very successful at getting any additional revenues," said Ken Perret, president of the Louisiana Good Roads and Transportation Association, which is pushing for the change there. "This is one method [that] can be implemented without any new taxes."

**This column appears in our monthly Infrastructure email newsletter. [Click to subscribe.](#)**

Maryland and Wisconsin legislators, meanwhile, want to seal off transportation money from being used for other purposes. The efforts to protect transportation funds are a reaction to recent budgets that used the money to shore up general services during fiscal crunches. Joshua Schank, the president and CEO of the Eno Center for Transportation, said constitutional amendments like the ones proposed in Maryland and Wisconsin are unusual. But he also cautioned that, even with those protections, state transportation budgets will still struggle because they are primarily funded by gas taxes that aren't keeping up with current infrastructure needs. "The days of raiding gas tax money for other things besides transportation are likely to be numbered, because the money won't be there," Schank said.

Here's a look at the three proposals:

## **LOUISIANA**

State lawmakers are asking voters to approve a constitutional amendment that would allow Louisiana to use money it already collects to form an infrastructure bank. Officials want to use it to let localities borrow money from the bank, which would be cheaper and less onerous than preparing a bond issue. "When you go through a bond issue for projects, you have to go through a whole process. You get rated, and you have to have a bond attorney and you have to go through an expensive process just to get the money available," Perret said. Going to the infrastructure bank would be more like getting a mortgage at a retail bank, he said.

Louisiana's Amendment 4 would not actually create the bank itself. Rather, it would clear the way for the legislature to set one up by expanding the treasurer's ability to use public funds to capitalize the infrastructure bank. That means that even if the measure passes, the legislature would still have to decide how much money could be loaned, to whom and under which circumstances.

Amendment 4 is seen as one approach to shoring up funding -- one that may also survive the scrutiny of Republican Gov. Bobby Jindal, who has vowed not to raise taxes. A legislative panel is considering other ways to boost funding to start addressing what transportation advocacy groups estimate is a \$10 billion backlog in infrastructure projects. With tax increases a nonstarter, the committee is looking at concentrating transportation money on building or repairing roads and bridges. Last year, for example, the state spent nearly \$69 million of the \$579 million in its transportation fund on the state police's traffic control efforts.

## **WISCONSIN**

When Scott Walker, Wisconsin's Republican governor, first ran for office in 2010, he criticized his opponent and predecessor for repeatedly using transportation money for other programs. Three separate times between 2003 and 2011, the legislature dipped into those funds for a total of \$1.4 billion, although much of that money was later repaid through bond proceeds.

In the same election, 54 of the state's 72 counties held and passed advisory referenda on whether state

transportation dollars should be protected from such raids. As a result, after Walker took office, the Republican-led legislature advanced a constitutional amendment to make sure it didn't happen again. That proposal, called Question 1, is on the ballot next month. Both Walker and his Democratic opponent, Mary Burke, support the measure.

Craig Thompson, executive director of the Transportation Development Association of Wisconsin, said passing the proposal would help gain the trust of the public to support more transportation funding in the future. "The most negative impact [of the raids]," he said, "was the fact that it just really destroyed the trust that the public had in the user fee-based system."

The measure has wide support and is expected to pass easily. But state Sen. Fred Risser, a Democrat who is the longest-serving state lawmaker in the country, is one of the few dissenting voices. He said there is no reason why transportation money should be treated differently than money for other programs. Under Walker, he noted, school funding was cut by \$800 million while legislators actually transferred \$500 million in general revenues into the transportation fund. "This amendment does not increase highway funding one penny," Risser said. "It just is a way of budgeting by constitutional edict rather than by legislative activity."

### **MARYLAND**

Like Wisconsin, Maryland voters will decide a similar proposal. Over the past few years, state lawmakers have taken more than \$1 billion out of transportation funds to balance the budget. The proposed constitutional amendment would only allow the protected money to be used for non-transportation related items if the governor declared a fiscal emergency and both chambers of the General Assembly approved the transfers by a three-fifths vote. "Although some of the money has been returned, [many transportation projects were] delayed because of the lack of funding," said Deriece Pate Bennett, the vice president of government affairs at the Maryland Chamber of Commerce.

The situation improved when Maryland lawmakers passed a new transportation bill last year, which got the ball rolling on highway projects and rail projects in Baltimore and the suburbs of Washington, D.C.

The chamber is one of several organizations -- including AAA Mid-Atlantic, business groups and transit advocates -- backing the measure. Gubernatorial candidates from both parties support it, and there is no organized opposition. The main concern for supporters in the upcoming election is making sure voters are aware of the measure, Bennett said.

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