State Legislative Infrastructure Priorities
2012-2013

National Conference of State Legislatures

October 2012

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The National Conference of State Legislatures (NCSL) is a bipartisan organization that serves the legislators and staffs of states, commonwealths and territories. NCSL provides research, technical assistance and opportunities for policymakers to exchange ideas on the most pressing state issues and is an effective and respected advocate for the interests of the states in the American federal system.

NCSL has three objectives:
- To improve the quality and effectiveness of state legislatures.
- To promote policy innovation and communication among state legislatures.
- To ensure state legislatures a strong, cohesive voice in the federal system.

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For two weeks in the fall of 2012, the National Conference of State Legislatures (NCSL) surveyed state legislators throughout the country on infrastructure priorities in their states.

Major Findings

Infrastructure is a priority for state: As seen in the answers below, particularly from the responses in question one, infrastructure is a major priority for states across the board, ranking third behind education and economic development.

Highways and bridges are the highest priority, but other modes matter, too: Building and maintaining roads and bridges was the highest transportation infrastructure priority, but comments and ranking from lawmakers indicated that other modes such as transit, ferries, multimodal projects, and other solutions are viable and important projects, especially in certain states.

More or less help from the federal government: Lawmakers are divided on the role of the federal government: some want more assistance and leadership on building new transportation systems, while others would prefer less federal intrusion or at the very least, funds with fewer strings attached passed directly on to the states. Comments from legislators reflect a pessimism or distrust of help from the federal government (“The federal government is failing in its responsibility of ensuring that America has the basic infrastructure necessary to remain competitive”) and an awareness that states will likely have to assume more responsibility with regards to infrastructure planning and funding (“They are providing less money so we need to find additional capital if we are going to meet the needs”).

States believe they will have to shoulder more of the burden: Legislators were pessimistic that the federal government would be able to create a longer-term transportation authorization with a stable funding source and they understand they must take on more responsibility at the state level.

States are willing to explore new funding mechanisms— State legislators were cognizant that existing funding sources, especially gas taxes, would not be sufficient in the future, and were intrigued by or actively considering other methods of paying for and financing transportation infrastructure, such as public-private partnerships (PPPs), vehicle miles fees, tolling and bonding.

Survey Results
When asked to rank infrastructure (defined as roads, bridges, transit, water, and wastewater) investment among seven state government spending priorities, infrastructure was the first priority for 19 percent of respondents. Only education, which was the first choice for 38.5 percent of respondents, and economic development, with 23 percent of first-place votes, ranked higher.

Education was far and away the highest priority for state lawmakers, with almost 91 percent of lawmakers ranking it as a top-three spending priority for the state, and no respondents ranking it sixth or last.

By comparison, infrastructure was a top-three priority for almost 55 percent of legislators, right behind economic development with 57.5 percent amongst the top-three. Among other priorities, health care ranked fourth, followed by human services, criminal justice, and environment.

**WEIGHTED RANKINGS OF STATE GOVERNMENT SPENDING PRIORITIES**


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**QUESTION 2: What steps are being taken to fund infrastructure in your state?**

Legislators were asked to indicate if seven different funding mechanisms—**bonding, gas taxes, vehicle fees and taxes, sales taxes, public private partnerships, tolls, and vehicle miles travelled fees**—were being used in their state to fund infrastructure.

Bonding, gas taxes, and vehicle taxes and fees were by far the most commonly used mechanisms to fund and finance infrastructure, with over 70 percent of legislators indicating those methods were used in their state.
Legislator comments indicated that finding new revenue streams, especially in light of declining gas tax revenues due to more fuel-efficient vehicles and less driving, is a pressing concern in some states.

**QUESTION 3:** What steps do you think your Legislature should be taking to facilitate infrastructure investment that they are not taking?

This question was open-ended and led to a wide variety of responses. The majority focused on transportation infrastructure.

- **Gas tax:** A large number noted that their gas tax had not kept pace with inflation and wasn’t sufficient to meet current and future needs. Comments: “Indexing of gas tax.” “Give local government the opportunity to use gas tax to expedite local infrastructure.”
- **Vehicle miles fee:** A decent amount of respondents expressed interest in a vehicle-miles traveled fee, noting that it could be fairer and raise more revenue than a gas tax. Comments: “With the decline of revenue from gasoline taxes, the vehicle miles travelled fee should be explored.” “Vehicle miles traveled seems fairer.”
- **Dedicated transportation spending:** Some highlighted the need to shift transportation-derived funds solely to transportation, or ensure transportation-dedicated funds are not diverted elsewhere. Comments: “Shift transportation taxes to transportation projects only.” “Our State Transportation Fund should be protected and not routinely raided to fill gaps in the General Fund and Budget.” “Protecting infrastructure funding from paying for other aspects of government or just to show the cutting of taxes.”
- **Tolls and PPPs:** A handful of legislators raised the idea of using more tolling and exploring public-private partnerships. Comments: “Look at toll roads and private partnership.” “Uniform tolling policies which apply in rural districts as well as urban districts.”

**QUESTION 4:** What are the top transportation infrastructure project priorities in your state?

State lawmakers were asked to rank various transportation infrastructure needs from “not a priority” (a value of (1)) to “highest priority” (5). The chart below shows the weighted rankings, clearly indicating that highways and bridges were ascribed the highest priority by a wide margin.

Interestingly, around 40 percent of respondents gave transit, freight, and aviation “average priority,” perhaps reflecting that lawmakers understand the importance of these systems but do not believe these investments are “make-or-break” for their state.
Forty five percent of respondents indicated that their state has a strategic investment plan for infrastructure, while 55 percent of respondents indicated that their state does not have a strategic plan.

A few respondents hinted at confusion over whether their state did have such a plan, perhaps pointing to a lack of clarity and communication between state departments of transportation (DOTs) and legislatures. Comments: “The DOT has a plan but it is not widely understood or supported by legislature.” “The plan is managed by the state DOT, and thankfully is fairly free of political intervention.”

Legislator responses were unequivocal: they believed the federal government was falling short in its role to help move infrastructure projects at the state-level. Seventy-three percent of respondents rated the federal government’s facilitation as either “poor” or “needs improvement.” Only 5.4 percent ranked the federal government “optimal.”

Individual responses from lawmakers pointed out two clear and opposed dynamics: the desire for more funding and planning involvement from the federal government in some quarters, contrasted with a distrust and dislike of federal government involvement from other respondents. However, a majority of respondents seemed to desire some level of federal funding and planning certainty.
The anti-federal involvement sentiment was expressed. Comments: “Most federal dollars seem to be targeted at social engineering ... bike lanes and light rail.” “(The federal government) needs to keep out.” Federal constraints handcuff the state.” “Now that interstate system is complete, funds should remain at the state with a percent going to the federal government rather than the other way around.”

On the other hand, pro-federal involvement was reflected as well. Comments: “The federal government needs an eight-year plan. They need to stop thinking so short term.” “I think states need more help.”

How do you assess the role of the federal government in facilitating infrastructure projects in your state?

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Optimal</td>
<td>5.4%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>21.6%</td>
</tr>
<tr>
<td>Needs improvement</td>
<td>54.1%</td>
</tr>
<tr>
<td>Poor</td>
<td>18.9%</td>
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</tbody>
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Many respondents were pessimistic about receiving much help from the federal government. Comments: “The federal government is broke. It will not improve in the short term.” “The federal government is failing in its responsibility of ensuring that America has the basic infrastructure necessary to remain competitive.” Other sentiments seem to indicate a larger role for states with respect to infrastructure planning, funding, and development. Comment: “They are providing less money so we need to find additional capital if we are going to meet the needs.”

**QUESTION 7: What should the federal government be doing in infrastructure that it is not doing?**

This question provoked wide-ranging responses. Once again, the dual viewpoints on the federal role in transportation infrastructure were on display.
• **More certainty:** Many respondents pointed to a need for more certainty from the federal government. Comments: “Fund a 10-year plan and increase investment in rail, ports, and transit.” “Creating 20 year vision of infrastructure needs.” “Develop a transportation bill with more infrastructure dollars and more than two years. We need a six-year bill.”

• **More flexibility and less regulation:** Many were skeptical of federal involvement and asked for more flexibility and less onerous federal oversight. Comments: “Allowing the individual state to have the ability to design for their need, and not for the federal needs.” “Reducing regulations and red-tape that add costs and time to all projects.” “Making the EPA get out of the way would help. Have to have environmental impact studies in case there is a toad or endangered bug in the way.”

• **Block grant funding:** Some felt that leaving the gas tax revenue largely at the state level without mandates is a policy for success. Comments: “Block grant 98 percent of funds back to each state.” “Block grants and leave us alone.” “Since they are broke, let us have all of the fuel taxes and leave us alone. They only hinder our progress.”

• **Regional and multi-state projects:** A few lawmakers highlighted the need for the federal government to help states work regionally. Comments: “Helping states develop long term infrastructure plans that are coordinated by region.” “More collaboration on multi-state and regional projects for highways and mass transit.”

• **Multi-modal:** A number of legislators expressed a desire for more planning and funding for multi-modal projects. Comments: “Provide adequate funding for rail (freight and passenger), public transit assistance and funds for highway upgrades.” “Refocusing spending to better promote transit, pedestrian, and bike transportation. Our urban cores and inner suburbs are far too congested for the continued bias towards highway spending to be appropriate.”

• **Raise gas tax:** A fair number of respondents expressed a need to raise gas taxes. Comments: “Raise gas tax and/or implement a vehicle miles travelled fee for non-gas vehicles.” “Increasing gas tax to create a pool to ensure the maintenance of the federal interstate system.”

• **Freight and rail:** The importance of freight and rail was not lost on respondents, with some stressing their importance for an efficient transportation system. Comments: “Expand funding, especially for interstate trade routes and for getting more freight onto rail and off single truck long hauls.” “The federal government should invest more intelligently and broadly in high speed passenger rail and improved freight rail networks.” “Change railway laws to help states optimize rail use within region.”

• **Jobs:** One legislator felt the discussion of the role infrastructure plays in job and economic development was lacking. Comment: “(The federal government doesn’t) see the connection to economic development and transportation. Both the building jobs and the new business that follows seem to be unaddressed in the debate at the federal level.”

### QUESTION 8: What conditions need to be present to spur more private sector investment in infrastructure in your state? Please check all that apply:
Streamlining regulations and increasing access to capital were the only choices that garnered a majority opinion among respondents. Creating a legal framework to allow private businesses to participate was chosen by 46 percent of lawmakers. Gathering public input and support early in the planning process, an approach that has met with success in some states, was chosen by 37 percent.

**Conclusion**

Investing in infrastructure is clearly important to state legislators, but uncertainty at the federal level and a lack of appetite for revenue increases at the state level may spell slow years ahead for infrastructure development. However, many lawmakers are clearly focused on improving infrastructure, and are willing to think “outside the box” to ensure needed infrastructure projects are accomplished. It seems likely that states will have a growing role in planning and financing infrastructure in the future, and new funding methods such as tolling, public-private partnerships and a vehicle miles fee may be used to meet state’s transportation needs.