Bond Case Briefs

Municipal Finance Law Since 1971

Localities Want More Say in Transportation Spending.

Mayors and county officials have two tough missions as they lobby Congress on transportation.

First, they want federal lawmakers to find an elusive source of new money so that federal highway and transit funding does not dry up.

Second, they want Congress to revisit changes it made two years ago in how that money is divvied up. Local leaders say the changes, instituted under the law called MAP-21, disproportionately hit cities and counties. Under the law, Congress not only cut money available for local roads, it also gave local leaders less say in deciding how federal money should be spent by putting states in charge of more of those decisions.

Now that the law is about to expire, localities hope Congress will require states to coordinate with local officials when deciding how to spend the money.

"We want to be partners with our governors," Atlanta Mayor Kasim Reed told a U.S. House panel earlier this year. "We understand that will mean being junior partners. But we'd like to have a seat at the table to ensure that cities have a voice as well."

The 2012 federal law put more money toward big highways and less toward local roads. It cut money for bridges and roads that are not part of the National Highway System by 30 percent. Local governments own more than half of those smaller roads. The law also gives states a greater role in determining how to spend federal money on everything from run-down bridges to bike lanes and sidewalks.

Chris Abele, the county executive of Wisconsin's Milwaukee County, said this week that the current funding system is like federal and state officials passing an envelope full of taxpayer money for transportation along a line, with localities at the end. "Sometimes, by the time the envelope gets to us, there's nothing left," he said.

Local officials, especially those from urban areas, worry that their top priorities could be lost or ignored at the statewide level.

"Many of the legislators are in rural counties (and have) different needs, different visions," said Sharon Barnes Sutton, a commissioner from Georgia's DeKalb County. "(They're) very heavily invested in pavement, and not considering transit-oriented projects in the metropolitan areas."

Tony Dorsey, a spokesman for the American Association of State Highway and Transportation Officials, declined to comment on the localities' push for more control of transportation spending.

Despite years of discussion, there is no consensus in Congress on where to find extra money for transportation. The idea of raising the federal gas tax — which has been at 18.4 cents a gallon since 1993 — is politically toxic on Capitol Hill. Other proposals to pay for infrastructure with corporate taxes or general funds also have not gained much traction.

While funding debates have stalled at the national level, many counties have raised property or sales taxes to pay for transportation improvements. Some states prevent localities from doing so.

Either way, residents get frustrated when they do not see their state and federal taxes return to their neighborhoods, said Commissioner Sallie Clark of El Paso County in Colorado. “They’re already paying income tax. They’re already paying gas taxes. What they’re saying is: Why isn’t a fair share coming back to us?”

But if Congress were to find money, there is a chance it might reconsider how the funds are allocated. Two members of the U.S. House’s Transportation and Infrastructure Committee are sponsoring legislation that would require states to set aside a portion of the federal transportation money they receive for competitive grants, for which localities could compete.

David Goldberg, a spokesman for Transportation for America, which supports greater local involvement in transportation decisions, said that approach would allow the federal government to set national priorities. Then states and localities could decide which projects best meet those national goals.

That way, cities and states could focus on spurring economic development, creating links between different modes of transportation or attracting private money to a project, rather than simply just building and maintaining highways, Goldberg said.

“We’re not saying local communities would get unilateral control over a state highway. We are saying there has to be more acknowledgement of the needs of localities,” he said.

The competitive grants would be similar to the federal Transportation Investment Generating Economic Recovery (or TIGER) grants, first created under the 2009 stimulus law. The U.S. Department of Transportation has awarded more than $4.1 billion to more than 200 projects under the program, but demand has been far higher. In the most recent round, for example, the agency received $9.5 billion in proposals for $600 million in funding.

Localities can apply directly for the grants, which have been used to help build light rail between Minneapolis and St. Paul; improve pedestrian safety in and around Ft. Myers, Florida; and increase the capacity of the port in Wilmington, Delaware.

Daniel C. Vock | Staff Writer
dvock@governing.com | https://twitter.com/danvock