

Script for Plan 2040 Presentation: How Should Transportation Funds Be Split?

Slide 1: Hello, my name is Jane Hayse, Division Chief of Transportation Planning at the Atlanta Regional Commission. We have considered growth projections, uses of land, scenarios of travel, now we need to think about a big component of PLAN 2040 – a plan for transportation resources through the year 2040. These are some important choices to make in PLAN 2040. I would like to lay out for you the most critical and hear what you think? What is going to be the best mix of transportation projects to support growth in centers and corridors? Transportation investment choices we make with PLAN 2040 must be made in relation to land use decisions and choices. What you will view in this presentation is all about making the right trade-offs and have cost effective solutions and ultimately, sustain our transportation system.

Slide 2: How much money do you think the metro Atlanta area needs to spend to maintain the existing transportation system over the next 30 years? The answer is approximately \$56 billion. This is the cost to just maintain the existing system, what is on the ground today. This includes roads, bridges, and mass transit operations and maintenance.

Slide 3: We need to look at maintenance needs over the three decades of PLAN 2040. We have built a large transportation system over the past 40 years that must be maintained, including interstates and MARTA rail lines. In last decade, the region has been underspending on maintenance and deferring these types of projects. The region and state are now entering a period where we must “pay the piper”. Pay a little now or a lot more later. This slide illustrates the predicament we are in for paving our roads. If state and local governments do not have funding to spend \$1 before pavement begins to deteriorate, then we will have to spend \$6 to \$14 later. A good analogy is a leaky roof, patch it now and spend a little money or wait to fix it when you might have to replace the entire roof.

Slide 4: How much will it cost to build, operate and maintain all additional needs beyond the existing system? Approximately \$113 billion. This is the total identified needs from existing plans and studies.

Slide 5: Let’s remind ourselves what we have just seen: the costs to preserve and operate the existing system is \$56 billion. The cost to build, operate and maintain future projects in is \$113 billion. So our region has about \$169 billion in needs through the year 2040. To put this in context, the entire State of Georgia’s FY 2011 budget is about \$15.5 billion – for one year. The needs of our region are staggering.

Slide 6: How much is actually available between now and 2040? Approximately \$64 billion from federal, state, and local revenue projections. These forecasts do not assume a potential regional sales tax. If the region does agree to have a regional sales tax in 2012, ARC's latest forecast is that the regional sales tax will generate about \$6.7 billion in current year dollars over 10 years. However, this is not included in this forecast.

Slide 7: The question – Preserve or Expand? So the question is what do we prioritize in PLAN 2040? The region has several options – preservation of the existing system or expanding the system, such as building new roads and new rail lines.

Slide 8: We only have \$64 billion in anticipated funding. Yet our needs equal \$169 billion.

Slide 9: If we want to preserve the existing transportation system as our top priority, the region can do this. There is \$56 billion in identified needs, leaving \$8 billion for other types of projects, such as system expansion. \$8 billion represents approximately 8-10 years of projects.

Slide 10: if the region wants expansion of the transportation system to be the top priority, there is still not enough money to meet all the identified needs. This leaves on the table - \$56 billion in unmet preservation needs and \$49 billion in unmet expansion needs.

Slide 11: There is also the option of proceeding with historical funding allocations, basing the breakdown of funding the way we have done it in the past – maintenance represented approximately 55% of funding.

Slide 12: What do you think? As you are reviewing this presentation, please think about these questions...

- a. What is the balance between maintenance and expansion – where do you draw the line?
- b. Given the needs to preserve the existing system and the resulting limited money available for capacity, what other options are available to fund expansion projects?