ILLINOIS TRAFFIC ENGINEERING & SAFETY CONFERENCE

October 2009
Topics

- IDOT Highway Program Funding – General things you should know
- What Just Happened? And why?
- IDOT’s Engineering Program
- Beyond SAFETEA-LU – Finally
IDOT Highway Program Funding

- Appropriations
- Sources
- Distribution
- Points to remember
Highway Program Funding

- federal funding
- state revenues
- local funding

State Appropriations

- District
- Statewide
- Engineering
- Lump Sum
Highway Program Funds

- Two main cash Funds in Illinois Law
  - Road Fund
  - Construction Fund

Cash from these funds are used to pay salaries, contractors, consultants, etc.
Road Fund Appropriations

- Districts
- Statewide
- Consultant Engineering
- Specific Approp.
- Local Benefits
- Local Program
Construction Fund

Appropriations:
Districts
Statewide
Highway Program Revenue Sources

- **State**
  - Motor fuel taxes
  - Vehicle registrations
  - Bond sales (when authorized)

- **Federal**
  - Reimbursement of Allocations/Apportionments/Earmarks via legislation

- **Local**
  - Reimbursements
FY 2010-2015 Program Fund Sources

Federal Aid $7.499 52%

State Funds $1.495 10%

IL Jobs Now! $3.064 21%

Jump Start $1.552 11%

Local Funds $0.704 5%

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Program Distribution

- **Local program**
  - Mostly federal funds, some state & local

- **State program – ‘vital elements’**
  - Road Maintenance
  - Bridge Maintenance
  - Congestion Mitigation
  - System Expansion
  - Federal, State & Local funds
FY 2010-2015 Program Distribution
$Billions

State Highways
$11.506
80%

Local Roads
$2.808
20%
FY 2010-2015 State Program Distribution
$ Billions

- System Maintenance: $4.831 (42%)
- Bridge Maintenance: $2.522 (22%)
- Congestion Mitigation: $3.141 (27%)
- System Expansion: $1.011 (9%)
Points to Remember

- It’s all tied to State Appropriations
  - Appropriation = permission to obligate funds
  - Maximum affordable amount each FY
  - Approved by GA, signed by Gov.
- Federal funds are reimbursements
- Federal funds require state or local match
  - % varies based on fed program/roadway type
- Appropriations are not the same as cash!!
  - Comptroller pays contractors with cash
  - Obligate contracts with Appropriation
More Points

- Contracts pay as you go
  - Appropriate/obligate full cost of contracts
  - Pay bills as received
  - Bill FHWA for federal reimbursements - weekly
  - Re-appropriate remaining cost of ongoing contracts in following FY’s

- Programs pay out over time
  - Generally over 4 years
  - 20/50/20/10
Some More Points

- Program size (annual & MYP) determined by:
  - Road & Construction Fund revenues
  - Existing contractual/operating obligations
  - Program payout model
  - Estimated Fund balances 1 FY beyond MYP
  - Est. Bond Program needs

- IDOT unique in State government
  - Everyone else - all grants each FY
  - IDOT multi-year capital programs, few grants
What Just Happened?

- FY 09 Annual Program
- ARRA (aka Stimulus) - February
- Jump Start (aka Mini-Cap) - April
- Emergency Repair Program - April
- MYP v1.0 - May
- Illinois Jobs Now! (aka Mega-Cap) - June
- MYP v2.0 – July
- FY 10 Annual Program - September
FY 09 Annual Program

- As-Published:
  - $1.95 billion program
  - 897 miles
  - 278 bridges (new, repl, rehab, repair)
  - 123 T/S sites (state & local)
ARRA – Federal Stimulus

- Signed Feb 17, 2009
- $936 M to IL for highways
- State share - $627 M
- Local Share - $281 M (formula breakout)
- Enhancements - $28 M
- ‘Use it or lose it’
- 50% State share authorized in 120 days, remainder 1 year from allocation
ARRA – Cont’d

- Projects must be amended into STIP/MPO TIPs
- Develop draft publication ($693 M projects, etc)
- Newspaper advertisement (70 statewide)
- 15-day public involvement required – Feb 13
- Respond to all inquiries (tel, mail, email)
  - 222 inquiries by comment deadline
- Develop final publication/submit to FHWA
- FHWA approval – March 6
- REQUIRED before projects can be authorized
ARRA - More

- 2 April lettings for most projects (best chance to put people to work quickly, take advantage of IL construction season, ‘shovel ready’ projects)
- Good bids allow additional projects on later lettings
- STIP/TIP amendments or modifications still required
- Local projects coming on – Also require STIP amendment
- Supplemental State Approp required
- Significant reporting requirements
Jump Start

- $2.0 billion Series A bond Program
- ‘State stimulus’ program
- ~$450 M in FY 09 (Special May Letting)
- ~$1.55 B in FY 10-15 MYP
- Public Acts 096-0004 and -0005
- Mainly RS/Bridges
  - 1,216 miles, 73 bridges in 10-15
  - N/S Wacker Drive - $360 million
Jump Start

New Revenue:  
- None. Uses RF Balances

Bond Sale Series A

ROAD FUND

Pay Series A Debt Service

Debt Service Begins

Transp. Bond, Series A Fund

GOMB Release

Pay for Jump Start Projects

$2.0 B Authorized
+ $448 M Approp’d FY 09 Supp. (Re-Approp’d FY 10) May Letting
+ $310 M New FY 10 Approp.
+ System Condition, Normal Funding Distribution (45/55, etc)
Commitments. Do the projects, manage the funds.
Emergency Repair

- Separate $150 M RF appropriation
- Project solicitation process
  - MFT standards
  - $300,000 minimum
- Local projects
- Legislator support required
- Announced late August
- Implementation ongoing
Augmented FY 09 Program

- As-published + ARRA + Jump Start + ERP
- ~$3.48 B annual program (record)
- 2,491 miles
- 486 bridges
- 218 T/S locations
MYP v1.0

- $11.25 B 6-yr program
- Released May 20
- Included FY 10-15 Jump Start projects
- ARRA and Spring Repair projects as Appendices
- Intended to be a DRAFT
Illinois Jobs Now!

- $3.06 B in specific projects
- Mainly Congestion Mitigation & System Expansion
- Interstate reconstruction & capacity work
  - I-190, I-94, I-80, I-55, I-74, I-57/70
- Allows us to complete or advance the ball on expanding several corridors
  - Urban (US 6, IL 59, IL 47, IL 2, IL 71, IL 159, IL 13)
  - Rural (US 34, US 67, US 51, IL 29)
IJN – Cont’d

- Some local projects added
- 208 miles, 83 bridges, 43 T/S locations
- ~$359 M PE/CE
- ~$249 M LA
Illinois Jobs Now!

New Revenue:
- Video Gaming
- MVR, Title, Lic. $ 
- Food/Hyg. Tax
- Liquor Tax

CAPITAL PROJECT FUND (New)

Pay Series D Debt Service

Debt Service Begins

Transp. Bond, Series D Fund

GOMB Release

Pay for IJN Projects

Bond Sale Series D

$3.05 B Approp’d (Plus $500 M for Local Grants) in FY 2010
$1.015 B Authorized (Assume $500 M for Local Grants, $515 M for Projects in FY 2010

IJN Projects are Commitments – do the project, manage the $$
Series D can be used for grants to local governments
FY 10-15 MYP (MYP v2.0)

- Announced July 13
- 6 year - $14.314 billion ($11.5 B State)
- Improves:
  - 4,856 miles
  - 850 bridges
  - 324 T/S sites (state only)
  - 560 other bridge repairs
- Post-2015 expected System Condition:
  - 94% bridges (91% latest data)
  - 90% miles (86% latest CRS data)
FY 10-15 MYP, cont’d

- Includes both Jump Start and IJN projects
- Accounts for ARRA and Spring Repair in condition estimates
FY 10 Annual Program

- September 2009
- $2.4 billion (new appropriations)
- 740 miles, 228 bridges, 125 T/S sites
Engineering Program

- Engineering funding closely tied to District & CO needs
- FY 10 PE = $315 M (~$207 M new)
- Total PE in 10-15: ~$1.1 B
- Future Engineering program size strongly tied to IDOT staff levels, MYP project mix, program size
Recent Engineering Trends

$ Millions

1997 1999 2001 2003 2005 2007 2009
Beyond SAFETEA-LU

- Overview
- Status of IL under SAFETEA-LU
- HPP/Other earmark issues
- Beyond
Overview

- $295 billion Surface Transportation Authorization bill FFY 2004-2009 ($286 billion guaranteed)
- 6,376 earmarked projects/$24 billion
Illinois’ Take - Highways

- $6.182 billion Formula & HPP (FFY 05-09)
- $1.236 billion Average Annual
- $309 million/year (33%) more than TEA-21 (Avg. Annual)
- Earmarks - $1.25 billion
  - $596 million HPP
  - $654 million Other
- Federal limits on annual Obligation Authority reduce everything at least 10-15%
Earmarks

- Required Federal Match
  - 80/20 share: Add 25% of earmark
  - Total match required: $313 million

- Earmark $$ available until expended - unless Congress acts

- Shortfall: What it takes to complete the project after earmark and match
- Size of shortfall: ~ $10 billion
Local Earmarks

- IDOT FY 07 budget included $306 M for Local Earmarks and $77 M to up-front required match
  - 211 earmarks
  - Locals reimburse IDOT for match by agreement
  - Locals responsible for any additional shortfall
Beyond SAFETEA-LU

- Expired 9/30/09
- Highway Trust Fund solvency – Big issue, large planned rescission
- IL rescission share was $290 million – unobligated balances
- New Administration – Priorities
  - Expect extension for at least 1 year
  - Expect CR of Appropriations as well
Farther Beyond

- IDOT (draft) Priorities:
  - More $$ to Illinois
  - Flexibility to use it
  - Interstate Reconstruction Program
  - More streamlining at federal level
Questions?
END
August Redistribution – Free $$?

- IL got $32.6 M extra Ob. Lim. (Fed $ limit for reimbursement)
- Usually convert AC projects
- Reimbursement into Road Fund – use in next MYP
- Below Average - ~$42 M for SAFETEA-LU
- TEA-21 avg $10 M
- ISTEA avg $11 M