Is Utopia Around the Corner?

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Public Law 74 of the 101st General Assembly brought about a major reorganization of transportation functions in the state of Indiana. The seven member Transportation Coordinating Board was established to provide for the first time in Indiana a unit of government responsible for developing and coordinating the overall transportation functions in the state. In addition to its responsibilities for approval of annual budgets and programs, it also approves grants and negotiated contracts over $10,000 at its monthly meeting. The Transportation Planning Office was established to serve as staff for the coordinating board.

The Department of Transportation was established to oversee most of the transportation functions other than highways. Its responsibilities include aviation, formerly under the Aeronautics Commission, rail assistance, formerly under the Public Service Commission, and transit assistance, formerly under the State Planning Services Agency.

Finally the Department of Highways was established, like the DOT directly under the governor, to oversee the responsibilities of the former highway commission. Added on were the functions of the Office of Traffic Safety as well as responsibility for operation of the Indiana toll road and the toll bridges, both of which had been under their own commission. The addition of these new responsibilities and the abolishment of the commission created the need for the first major reorganization of the department in almost 20 years.

The reorganization gave the opportunity to make an alignment with clear cut responsibility and accountability separated into five areas. For the last few years we have been discussing the advantages of combining all administrative functions under one office. This has now been done with Personnel, Accounting and Control, Computer Services and Business Services all placed under the Office of Administration.

The development function is essentially the same although somewhat realigned. The rather obsolete Division of Roadside Development was replaced by the Division of Location and Environment. The basic functions of planning and design are joined by the Division of Land Acquisition to form a total of four divisions in development.
The Office of Operations has also stayed essentially the same with divisions of construction, maintenance and traffic. The Research and Training Center responsibility has become part of the materials function to form the Materials and Research Division. District operations have been aligned under the Office of Operations through the Division of Field Operations.

A completely new office is that of Engineering and Management Services. This office is made up of divisions that provide services throughout the department or to agencies outside of the department. The Contracts and Legal Division provides preparation of contract proposals, development of consultant and other negotiated agreements and handles various legal affairs such as tort claims. The Management Services Division includes the management roles of internal audit, the EEO function and policy administration. The function new to the department, traffic safety, is included as a division. This division deals with several other state agencies and local government in administering federal funds for many traffic safety purposes.

The former Division of State Aid, now known as the Division of Local Assistance is the fourth division in Engineering and Management Services. This division which administers federal-aid projects for local government has recently been changed in organization as well as name. It has been strengthened in number or authorized personnel and given the mandate to provide increased responsiveness in assisting local government.

The fifth and last is the new Office of Toll Facilities. This office includes the Toll Road Division responsible for operation of the 158 mile east-west toll road. This toll road has the reputation of being the best in the country, and we intend to keep it that way, even if it is on a more economical scale. For the next few years the toll road will be undertaking a major portion of the department’s capital improvement program. A $280 million bond issue has made possible a program for adding six interchanges, modernizing the toll collection system and performing safety upgrading. These improvements will all be under contract this year and completed in 1984.

The Toll Bridge Division consists of toll bridges at Mauckport and Cannelton over the Ohio and a bridge at Mt. Vernon over the Wabash River. Since becoming a part of the Department of Highways, tolls have been sufficient to pay off the remaining bonds and will now be used to pay off a $6.5 million loan from the Cigarette Tax Fund which was used to help fund construction. We are now looking at the desirability of a new feasibility study for a bridge over the Ohio at Mt. Vernon in conjunction with an improved roadway from I-64 to the Southwind Maritime Center, Indiana’s first port on the Ohio.

This sums up the new Department of Highways with the addition
of the Office of Public Affairs. This office, responsible for public informa-
tion and many duties in public coordination, is also responsible for
legislative liaison. A great start was made with five bills approved out
of five introduced for the department.

With the new organization in place, one might ask what will be its
mission. Will there be a future highway program? Will there be funds
sufficient to build anything new or do we need to stop designing and
buying right-of-way for new roads. The answer is clear for the toll road
and toll bridges, our profit making operations, but what about the rest
of the system? Will the legislation approved in 1980 and 1981 at the
state level provide funding for a major highway program?

In 1956 the state legislature increased the state fuel tax to 6 cents
for the purpose of matching federal funds to build the Interstate
Highway System in Indiana. Twenty years later in 1976, all but 20
miles of this system was completed. In 1969 the state legislature again
increased the fuel tax 2 cents to make possible the replacement of
"killer" highways, and for several years we were spending 47 to 50
million dollars a year for construction of dual lane highways with
100% state funding.

The legislation approved in 1980 culminated an effort that began
in 1974 to obtain more adequate highway funding. The additional
legislation approved in 1981 provided an immediate 2 cent increase
and has resulted in a total 3 cent increase in the two-year period.
However this time the major revenue increase has not provided a pro-
gram of new highways, but it has provided a program for survival. The
3 cent increase above the level approved in 1969 represents an increase
of 39%.

However, during the same period of time inflation has raised the
cost of highway construction and maintenance by 200%. The 3 cent
increase also represents less funding than was provided by the tem-
porary transfer of 100 million dollars per year from the general fund.

It appears there will be no major increase in state funding for some
time. All of the experts now predict that consumption will continue to
decline at about 1% a year. The price of gasoline which is now used to
determine the tax has decreased by approximately 8 cents in the last
year, and there are estimates that another 6 cent decrease will occur.
Thank heaven for the provision in the tax bill which prevents the tax
from decreasing during any period of lower prices. Where there had
been concern in 1980 that the price of gasoline would rise to $2.00 a
gallon by 1983, it now appears that it will not reach a $1.50 a gallon
until 1985, and therefore the current 14 cent cap on the tax will not be
reached until that time.

If there had not been a slight majority of state legislators in the last
few years who were in favor of additional highway funding, we would
not now be in a program of survival, but rather would be in the middle of a disaster. If the shortfall in state funds is disappointing, the decrease in federal funding is devastating. Federal highway funds available to Indiana have decreased from 186 million in 1979 to 111 million in 1982, a 75 million dollar decrease in three years. Only two states suffered to the extent that Indiana has this year in experiencing a 20% reduction in federal highway funding. Part of the reduction is from budget restrictions, but a major part is also from a change in the interstate distribution formula.

The change in the definition of the cost to complete the interstate approved by congress at the end of last year, whereby safety upgrading is no longer included, has resulted in a decrease in the cost to complete from 499 million to only 125 million. Therefore a reduction in the interstate construction funds coming to Indiana from 50 million last year to a grand total of 15 million dollars this year. The presumption was that a major part of this would be made up by the new definition of the 3-R program, expanding it to 4-R and including the safety upgrading work. However, the new formula for Interstate 4-R funding does not take into consideration the age of the mileage open to traffic as it previously did, and therefore Indiana's apportionment only grew from 7 million to a total of 20 million dollars a year. Adding these two categories together, the reduction goes from 57 million to 35 million, or a 22 million dollar annual decrease. Where last year we had a 20 million dollar bridge rehab program, and a 20 million dollar Interstate resurface program, all of this 40 million dollar program will now have to come out of the 20 million dollars available for Interstate 4-R.

Washington has been talking about a shift of programs to the states. A shift should be very welcome in Indiana because what we had been getting is the shaft. Another example besides Interstate funding is the bridge replacement program. Indiana ranks number seven in deficient bridges but comes in 33rd in distribution of bridge replacement funding from Washington. Indiana now has over 2500 bridges qualified for BR funding, but Washington, D.C. with only 56 deficient bridges receives more funds than Indiana. Illinois with fewer deficient bridges receives nine times as many federal dollars. There are 13 states with fewer deficient bridges that receive from two to six times as many federal bridge replacement funds.

With disappointments in what is happening with both state and federal funds, this might be an appropriate time to get to the subject of my talk, and raise the question, is Utopia just around the corner? The answer may seem obvious, but it really isn't. Utopia is a creature of relativity. It is an attitude, a frame of mind. It is the creativity of an optimist.

If things are bad today, let's remember how they used to be. How
many can remember driving 10- or 12-year old state owned vehicles with floor boards rusted through so you could see the pavement flashing by? How many remember maintenance equipment so poor that even a minor snow storm could result in 50% of the equipment being broken down? How many can remember when none of the department engineers were compensated $10,000 a year, and everyone was asking for a separate cost of living increase? How many can remember when the turn-over of personnel made it impossible to maintain a work force with sufficient number of personnel and very little experience in those that were available? How many can remember when it was thought that getting a 3 cent or 4 cent tax through the legislature was an impossibility? When you compare today with yesteryear, Utopia is apparently not yet here but it is getting closer.

We have made some major gains in spite of the reverses of the past few years. We have reached the bottom and are ready once again to climb to the peak. We have gone from an 1100 mile resurface program in 1979 to a level of 350 miles this year. This should get back to 500 miles next year, and continue to rise. The bridge replacement program is continuing to grow and we are prepared to meet the needs. With an average of 80 bridge replacements being added to the program the last four years, we were able to only add 11 this year, so that funding can catch up with the availability of plans for new construction.

We have dropped to a minimum and almost an absence of new road construction, with only projects on State Road 446 in Monroe County and State Road 431 in Marion County scheduled for this year. However new construction is expected to rapidly accelerate, with construction to begin next year on State Road 18 in Marion; Division Street in Evansville; the Valparaiso By-Pass and the last contract on Cline Avenue. We will see an even greater increase in the road construction program in 1984 and 1985.

If Utopia is a state of mind it is the opportunity to make things better tomorrow than they are today. The opportunist is the guy who meets the wolf at the door and appears the next day in a fur coat. We have had a unique opportunity to make major changes in organization that should result in a streamlined, efficient agency. Severely restricted budgets have given the opportunity to weed out those things that are not absolutely necessary. The fat has been trimmed but there is probably even more opportunity to insure that available funds are used where they will do the most good.

We must continue to show that we are capable managers of public funds. An efficient responsible agency will continue to receive the favorable reception experienced in the last legislative session. The problem of inadequate funding must continue to be addressed and the opportunities are there for some major changes. Although the state
legislature has already bitten the bullet and made major strides in providing additional state funds, as the problems with the general fund are resolved in the next few years there is potential and opportunity for additional relief in highway funding.

The potential is even greater at the federal level. Federal highway authorizations expire this year and multi-year programs that represent the most major change since the beginning of the Interstate program in 1956 should come out of the next highway bill. The climate is now right for changes in federal funding that for once will work out to the benefit of Indiana. Through some of the revisions now being discussed, there is potential for several million dollars of additional federal highway funds being available to state and local government in Indiana.

We are working with the Indiana Congressional Delegation to try to correct some of the blatant inequities in federal funding. We have requested a change in legislation that would restore the age factor in Interstate 4-R funding so that only those sections of Interstate more than five years old would be used in the formula. As you know, almost all of Indiana's Interstate was complete and open to traffic in 1976. We have also requested revisions that will allow the small amount of Interstate construction funds that is now available and will become available in the next few years to be used for Interstate 4-R work, since the only qualifying sections on I-164 will not be ready for contract until 1985. We have also requested that legislation proposed last year but not approved be enacted as soon as possible. It would change the bridge replacement funding formula to take into account off-system bridges, thereby increasing Indiana's share by approximately 15 million dollars. Two-thirds of these funds are made available to Indiana counties, and thus would be a major help in making progress on their bridge replacement problems. We have also suggested that the federal government should follow the initiative of the state in raising federal gasoline taxes, a step that it has not taken since 1956. We have suggested that a 2 cent increase in the tax should be returned directly to the states from which it came, and in line with the new federalism policy in Washington, a return of the urban and secondary programs to the states. Under such a program, Indiana would come out several million dollars ahead.

It is time to stop moaning about how bad things are and to start taking advantage of opportunities to do something about it. At the darkest time of night, the dawn is sure to follow, at the depth of the ocean everything is up, after the storm is the rainbow. Gerald F. Lieberman once said, "This is Utopia, right now. Anything is possible in this world, and nothing is possible anywhere else."

So is Utopia just around the corner? It is if you want it to be.