

Indiana's Participation in the Post-War Federal Aid Program

JOHN H. LAUER

Chairman, State Highway Commission of Indiana

For several years many of us connected with the road industry, along with others, have been looking forward to the end of hostilities, to the time when we could resume our normal activities, to the time when the development of our highway system could go forward. We have been looking to the time when a lot of surveys could be made and plenty of plans for roads and bridges could be completed, and to the time when notices of lettings would once again be received and contracts awarded and we could actually break ground and could see needed structures develop, be they roads or bridges.

Gentlemen, we believe that day is about to arrive, and with the approach of it, I know some of our thoughts naturally drift to the question of what will be the extent of Indiana's participation in the post-war federal aid program. I say the federal aid program because regular federal aid funds have been provided for expenditure on our highways ever since the inception of the State Highway Commission. They have been a major contribution to our construction programs, and have added materially to the development of our present system of highways.

The simplest way to answer this question is to say that Indiana will take advantage of every dollar allocated to her as she has done in the past. To my knowledge, we have never lost a single dollar through failure to match funds allocated to us. Nor do we intend to do so at this time. After all, we have only been getting back a portion of the money we have paid in federal taxes assessed against the motorists, and it behooves us to get back all we can of our own taxes for the benefit of all our people in Indiana.

FUNDS AVAILABLE

Naturally the federal aid money available for post-war construction influences our program materially, because the amount allocated to us is of such extent that it will probably take a goodly part of the funds the State Highway Commission will have available for construction to match them. That means that construction projects must comply with

the regulations as provided in the federal aid acts through which funds are made available.

We have available at this time the residue or balance of funds appropriated by Congress before the war which had not been expended at the outbreak of hostilities and which were then frozen, plus the funds that were authorized by the 1944 Federal Aid Highway Act. The balance of pre-war funds which can now be used amounts to \$4,000,000, in round numbers. Approximately \$1,000,000 of this amount has been appropriated for railroad crossing projects and does not have to be matched with state funds. The remaining \$3,000,000, which had been designated by Congress for expenditure on the primary federal aid and secondary federal aid systems, was programmed and allocated to specific projects in January, 1944. Since that date, with our engineering forces greatly diminished, we have doggedly worked toward the completion of plans for roads and bridges to be constructed with these funds. This work, originally estimated in 1944 to cost approximately \$7,000,000, will, no doubt, now cost considerably more. If the increase in bid prices that has manifested itself in projects advertised in this group and upon which bids have been taken within the last two or three months prevails, the total cost of these projects might amount to over \$11,000,000. The amount of federal funds cannot be increased; therefore the additional \$3,000,000 or \$4,000,000 must come out of State funds. This in itself might not be such a serious problem were it not for the fact that money appropriated by the 1944 Federal Aid Act is now available for construction and the first year's funds (of the three years provided for) must be obligated by June 30, 1947. The greater portion of this must be matched with State funds.

1944 FEDERAL AID ACT

The 1944 Federal Aid Act provides Indiana with a yearly amount for the fiscal years of 1946, 1947 and 1948, or slightly over \$12,090,000. These funds will constitute the principal part of each year's program with the exception of the first year. I believe that at this time it would be of interest to go into the provisions of this act, in that some innovations have been introduced in contrast to previous federal aid legislation and it will also give the over-all picture of the federal aid program. The total yearly appropriation authorized for the 48 states, Hawaii, the District of Columbia, and Puerto Rico is \$500,000,000, of which \$225,000,000 is for expenditure on the primary federal aid system in either rural areas or on routes in cities; \$150,000,000 is for the improvement of secondary or feeder roads; and \$125,000,000 for projects on the federal aid highway system in urban areas. Of this total, ten percent can be spent

on grade elimination projects with railroads and one and one-half percent on the statewide highway planning survey and research. Indiana's yearly apportionment is as follows: \$5,402,363 for improvement of the primary federal aid system, \$3,622,366 for secondary or feeder roads, and \$3,065,734 for urban highways—a total of slightly over \$12,090,000 as previously mentioned.

The ten percent for grade elimination projects with railroads is not required to be matched with local funds. Therefore, it can be seen that insofar as the State of Indiana is concerned, the difference between the total allocation and the ten percent for grade elimination projects, or approximately \$10,880,000 matched dollar-for-dollar with local funds, will give work amounting to approximately \$21,760,000 and, together with \$1,209,000 of grade elimination construction, will total almost \$23,000,000 for each of the three years. Added to the first year's available amount, the previously mentioned work to be financed with the balance of funds appropriated before the war can well give a program for the first year amounting to approximately from \$32,000,000 to \$34,000,000. Of course, it is probable that all this work cannot get under way during 1946. Federal regulations provide a year of grace for each fiscal year. Therefore, all the funds authorized at this time must be obligated by June 30, 1949. This gives us approximately 3½ years and means that the total prospective program to be constructed with available federal aid funds and state funds will amount to around \$79,000,000.

THE INDIANA PICTURE

What does this mean to the State Highway Commission of Indiana? It means an annual construction program greater than we have ever had. It means that it will be necessary for us to have a much larger force of engineers to supervise this construction than we now have. It means that we will need all the State funds that will be available to us to carry this through, for after all, the only State funds that we have for construction are those that are left after the fixed amounts, such as those for maintenance, equipment, and supervisory services, have been deducted from our total revenues. These fixed amounts for the present fiscal year total about \$8,400,000.

Besides all this, it means that many needed improvements will go forward on our state highway system. Heavy wartime traffic has been hard on a number of our highways, so hard, in fact, that during the war we were permitted to reconstruct some roads because of the possibility that vital war transportation might have been held up or disrupted. It means that certain things provided for in the 1944 act will take place,

among which are the previously mentioned innovations. One particularly interesting phase of our future construction program is our share in the creation of a national system of interstate highways. This network will not exceed 40,000 miles in extent but will be so located as to connect, by routes as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. Another is the formulation or setting up of a secondary or feeder-road system by the state highway departments in co-operation with the county supervisors, county commissioners, or other appropriate local road officials and the Federal Commissioner of Public Roads. Still another is the establishing of boundaries for urban areas in order to determine the limits in which urban funds provided by the act can be used. An urban area is a town or city of over 5,000 population, according to the 1940 census, and can include surrounding territory which is closely built up and not within its corporate limits.

Indiana has made its recommendations for the routes to be included in the national system of interstate highways. She is in agreement with the surrounding states as to where these routes shall cross the state border, with the exception of two crossings. All future construction on these routes must provide the possibility of having controlled access when conditions warrant. Construction on some of the routes will go ahead this coming season. There are sixty-seven cities in this state with a 1940 census population of 5,000 inhabitants or more, and sixty-six of these cities have primary federal aid routes passing through them. Therefore, there are sixty-six cities in which urban funds as provided in the act could be expended. However, this will not take place, because federal regulations provide that urban funds must be spent on projects "of major importance or those substantial in character". Because we have not been able to get an interpretation of this term, we have not completed our program for urban projects to date. However, about some of these urban projects there are no doubts; consequently some work is going forward, so far as surveys and plans are concerned, and the roads should be under construction during the coming season.

SECONDARY FEDERAL AID SYSTEM

The formulation of the secondary federal aid system has been in progress since last June. As Congress placed the administration of the act in each state in the state highway department as it applies to the secondary program, it was necessary that the state initiate the selection

of this system. In general, all federal road appropriations in the past have had to be expended on definite approved systems of highways. This was done to eliminate promiscuous improvements and to make it possible to work toward a definite goal. The regular, or what we now call the primary, federal aid system was established years ago when the Highway Commission first came into being, and has been enlarged from time to time within prescribed limits. In 1938, when the first secondary federal aid funds became available, the first secondary system was set up. This was done by the states and the Public Roads Administration because it was so prescribed. Consequently, at the time the 1944 Act came into being, Indiana had a secondary system composed of 6,323 miles, 4,265 of which were state highways and 2,057 miles of which were county highways. The federal regulations suggest that in those states where a substantial mileage of the federal aid secondary system has previously been approved, a review of the system with local road officials should generally result in its adoption, possibly with some modifications, as the initial stage of the new federal aid secondary system.

Last June our Chief Engineer, Mr. Carl Vogelgesang, wrote to each county, submitting information regarding the act and requesting concurrence in the existing system as the initial portion of the final system, and at the same time requesting suggestions for additions to make up the final system. To date we have received concurrence in the system from 91 of the 92 counties in the state. Since that time additional information has gone out to the counties and a number of meetings have been held in various localities in order to give further information to the counties and at the same time enable them to ask questions which might clarify the situation.

Several months ago the State Highway Commission decided in favor of a policy of allocating portions of the federal aid secondary funds to the counties, to be used by the counties on projects initiated by them for the improvement of county roads in the system and to be matched by local or county funds. This distribution is to take effect for the second year's program, which begins July 1, 1946, and also for the third year's. The distribution was not made available for the first year, however, because it was felt that there was not enough time available to get all the preliminary details settled in order that all the funds would be obligated within the time limit and that no funds would be lost. The settling of these matters to date has justified this decision. The portion of the secondary funds being allocated to the counties is being distributed on the same basis as that on which the State of Indiana receives its share, with respect to other states, of the total appropriation for this purpose. It is our earnest desire that as many counties as possible take advantage

of these funds. Of course, we realize that some will not care to, that some will perhaps desire to but will not be able to, and that others will want to and will do so. We have placed Mr. Herman List as Engineer of County Relations in charge of this phase of our work, and he will be glad to assist the individual counties in any way he can in order to make this plan a success.

I have attempted in this paper to outline to you the size of our post-war federal aid program together with its different aspects, pointing out the various types of work involved and some of the details connected therewith, the fact that there are pre-war appropriated funds for projects which are ready to go, also that programs have been established for two or three kinds of funds provided by the 1944 Federal Aid Act and that work is progressing on projects which will be included in the third. The projects that are included in the approved programs are distributed in 67 of the 92 counties, which shows the wide distribution for the first year's work. This total will be raised when the urban program is finally set up. This year's work will include the construction of many bridges, both small and large; railroad underpasses and overpasses; the continuation of dual-lane pavements on heavily traveled roads, such as the completion of multiple-laning U. S. 40 from the Illinois State Line to the Ohio State Line, in addition to the improvement of a number of secondary roads.

I am happy to say that our first large letting, including a number of these projects and totaling close to \$3,500,000 worth of work, has been advertised and is scheduled for February 5, 1946. It is our hope that there will also be enough labor and contractors available to do the work and that before long we will be in high gear to give many worthy improvements to the people of this State.