Indiana’s Long Range Infrastructure Funding Drives Performance Measures

Daniel L. Brassard, CFO, Deputy Commissioner – Finance
Louis E. Feagans, P.E., Statewide Technical Services Director

Indiana Department of Transportation
Over $750B in freight moves to, from, or through Indiana annually.
2006/2007: Major Moves Program Launch

Major Moves Launched with $3.8B Lease of Indiana Toll Road

- Major Moves – Funded by $3.8B Lease of Indiana Toll Road.
New Construction Soared/ Ribbon Cuttings Followed
Prior to construction of new Bridge, SB I-65 had over 2600 hours of speeds <45mph in this 5 mile section

- New Bridge (Lewis & Clark) I-265
- Modernize I-65 & Kennedy Bridges; New Lincoln Bridge
- FedEx’s second largest hub is in Indianapolis
- UPS largest hub is in Louisville
- Ohio River Bridges project is expected to have $87B impact on region
# Major Moves 2020 – Adding Interstate Capacity

## FY 15 $200 Million

<table>
<thead>
<tr>
<th>State Project</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-65L ATL/ County Line Rd to Southport Rd and Main St to County Line Rd</td>
<td>Complete December 2015</td>
</tr>
<tr>
<td>I-65L ATL/ SR 38 to SR 26 &amp; SR 26 to SR 25</td>
<td>Sustantially Complete November 2018</td>
</tr>
<tr>
<td>Road Reconstruction / Lafayette Road/CR 900</td>
<td>Sustantially Complete November 2018</td>
</tr>
</tbody>
</table>

## FY 16 $200 Million

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>I-65: ATL- Whiteland Rd to Main Street &amp; SR 44 to Whiteland</td>
<td>Sustantially Complete June 2017</td>
</tr>
<tr>
<td>I-69: ATL / SR 37 (N. Jct) to Exit 210 (old SR 236) with Interchange modification to Old SR 132 (Hamilton County)</td>
<td>Sustantially Complete November 2017</td>
</tr>
<tr>
<td>I-65: ATL / Old SR 311 to Memphis Rd</td>
<td>Sustantially Complete July 2018</td>
</tr>
</tbody>
</table>

## FY 17 $100 Million

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<thead>
<tr>
<th>State Project</th>
<th>Milestones</th>
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<tbody>
<tr>
<td>I-65: ATL / Merrillville to near SR 2, near Lowell (Lake County)</td>
<td>Substantially complete in November 2018</td>
</tr>
<tr>
<td>I-65: Wabash River Bridge, LaPorte (Tippecanoe County)</td>
<td>Substantially complete November 2020</td>
</tr>
<tr>
<td>I-65: US 52 to SR 28 (CR500 S. Bridge over I-65)</td>
<td>Substantially complete October 2018</td>
</tr>
<tr>
<td>I-65: Added Travel Lanes From US 50 to SR 58 (Bartholomew County)</td>
<td>Substantially complete May 2021</td>
</tr>
</tbody>
</table>

*As of 1.29.18 Funding Analysis (Major New Funding Source)

*Substantially Complete Dates from INDOT Answers as of 2.1.18*
From 2009 – 2013, The Majority of Capital Spending went to Capacity – Increasing Projects
The messaging began in 2012. Presentations to the Budget, House Ways & Means, and Road and Transportation Committee’s followed each year thereafter. The Indiana General Assembly created the Funding Indiana’s Roads for a Stronger, Safer Tomorrow (FIRSST) task force to:

- Study the state’s road and bridge needs.
- Develop a plan for funding infrastructure investment in the long-term.

FIRSST task force afforded INDOT an opportunity to shape Indiana’s long-term road funding discussion.

INDOT Commissioner Joe McGuinness and Chief of Staff Chris Kiefer participation in FIRSST meetings
INDOT’s Approach: Inform the Decision

• Educate lawmakers and citizens on the condition of Indiana’s roads and bridges
• Benchmark Indiana’s performance with that of neighboring states
• Establish our goals for prioritizing investment:
  • Fixing what we have
  • Finishing commitments we’ve made
  • Planning for the future
• Quantify the size of the projected gap between current funding levels and levels to achieve desired asset condition and mobility performance
• Explain agency’s data-driven project selection process

Representative Tim Brown
Presentation at 2017 Purdue Road School
The Result – House Bill 1002

In April 2017, the Indiana General Assembly voted in favor of HB 1002, a 20-year funding plan for state and local highway investment based on user increases.

- Provides an average of $1.2 billion annually for state and local transportation projects by 2024
- Streamlines the federal funds exchange program
- Indiana is one of the only states in the country with a fully funded plan for maintaining existing roads.

Gov. Eric Holcomb signed the bill into law on April 27.
Beginning with 2016 and beyond, A major shift toward Preservation has begun.
Project Prioritization

Data Capture
- Assess System Performance
- ID Potential Candidates
- Determine Treatment Possibilities
- Select Project Candidates
- Call for Projects
- Prioritize
- Fund / Program

Project Selection is Data Driven, Judgment Informed, and Financially Constrained.

Biennial bridge inspection data

Annual highway smoothness & cracking testing Data

Annual crash data & system safety analysis
Roads and Highways integration
Example of Model to Determine Future Pavement Preservation Needs

Percent Fair or Better Miles of Road at Four Funding Levels

Funding gap to maintain average conditions at nearly 95%.
Without a Preservation Program we would have a problem

The cost of reconstruction is over 10 times more expensive than a strategy of early and often preservation treatments.
Take Care of What We Have – Bridge

Percent Fair or Better Bridges at Four Funding Levels
Preserving the bridge deck has more benefit and lower cost than letting the bridge deteriorate and replacing it.

INDOT does this for all 5,600 bridges and 11,500 miles of pavements to determine needs.
Asset Management Flow

Program, letting, construct, re-inventory assets

*Roads and Highways / GIS data source

dTims modeling and recommendations

Evaluate & add value to recommendations in the field or in the office

Mini scope development = source for SPMS call/selection process
## HEA 1002 – New State Funding

### In Millions

<table>
<thead>
<tr>
<th>Source Description</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
<th>FY2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Tax (+10¢ in FY2018; index annually through 2024)</td>
<td>$176</td>
<td>$219</td>
<td>$232</td>
<td>$245</td>
<td>$258</td>
<td>$269</td>
<td>$277</td>
</tr>
<tr>
<td>Special Fuel Tax (+10¢ in FY2018; index annually through 2024)</td>
<td>$70</td>
<td>$89</td>
<td>$97</td>
<td>$105</td>
<td>$113</td>
<td>$121</td>
<td>$129</td>
</tr>
<tr>
<td>Motor Carrier Surcharge Tax (+10¢ in FY2018; index annually through 2024)</td>
<td>$87</td>
<td>$98</td>
<td>$104</td>
<td>$109</td>
<td>$115</td>
<td>$120</td>
<td>$125</td>
</tr>
<tr>
<td>Gasoline Sales Tax (shifts from general fund to 100% for roads by FY2020)</td>
<td>$0</td>
<td>$0</td>
<td>$55</td>
<td>$120</td>
<td>$180</td>
<td>$237</td>
<td>$292</td>
</tr>
<tr>
<td>IRP &amp; BMV Fee Increase (25%)</td>
<td>$21</td>
<td>$26</td>
<td>$26</td>
<td>$27</td>
<td>$27</td>
<td>$27</td>
<td>$27</td>
</tr>
<tr>
<td>Base MVH Shift to SHF from Local MVH</td>
<td>$4</td>
<td>$15</td>
<td>$16</td>
<td>$17</td>
<td>$18</td>
<td>$18</td>
<td>$18</td>
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<tr>
<td><strong>Total New State Funding</strong></td>
<td><strong>$357</strong></td>
<td><strong>$448</strong></td>
<td><strong>$529</strong></td>
<td><strong>$623</strong></td>
<td><strong>$710</strong></td>
<td><strong>$793</strong></td>
<td><strong>$869</strong></td>
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## HEA 1002 – New Local Funding

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<tr>
<th>Description</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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<th>FY2023</th>
<th>FY2024</th>
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<tr>
<td><strong>Statewide Registration Fee</strong> ($15/passenger vehicle)</td>
<td>$43</td>
<td>$85</td>
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<td>$85</td>
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<td>$85</td>
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<tr>
<td><strong>Electric/Hybrid Vehicle Fee</strong> ($150/$50)</td>
<td>$4</td>
<td>$8</td>
<td>$9</td>
<td>$11</td>
<td>$16</td>
<td>$18</td>
<td>$20</td>
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<tr>
<td><strong>IRP &amp; BMV Fee Increase</strong> (25%)</td>
<td>$15</td>
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<td>$9</td>
<td>$8</td>
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<tr>
<td><strong>Gas Tax</strong> (+10¢ in FY2018; index annually through 2024)</td>
<td>$126</td>
<td>$108</td>
<td>$118</td>
<td>$126</td>
<td>$133</td>
<td>$139</td>
<td>$146</td>
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<tr>
<td><strong>Special Fuel Tax</strong> (+10¢ in FY2018; index annually through 2024)</td>
<td>$48</td>
<td>$43</td>
<td>$48</td>
<td>$53</td>
<td>$57</td>
<td>$62</td>
<td>$67</td>
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<td>$21</td>
<td>$23</td>
<td>$24</td>
<td>$25</td>
<td>$26</td>
<td>$28</td>
</tr>
<tr>
<td><strong>Additional Municipal Wheel Tax Authority</strong></td>
<td>$5</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
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<tr>
<td><strong>Base MVH Shift from Local MVH to SHF</strong> ($5)</td>
<td>($5)</td>
<td>($20)</td>
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<td>($22)</td>
<td>($23)</td>
<td>($24)</td>
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<td><strong>Total New Local Funding</strong></td>
<td>$260</td>
<td>$264</td>
<td>$281</td>
<td>$294</td>
<td>$311</td>
<td>$324</td>
<td>$340</td>
</tr>
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</table>
Transition from Capital Intensive Program to Preservation

FY 2018 will be more than double FY 2014 Preservation Funding

Preservation Total

Major New Total Capital
Impact of HEA 1002

Over the next 5 years:
- 122 lane miles added
- 9,628 lane miles resurfaced
- 1,295 bridges rehabbed or replaced

Over the next 20 years as modeled:
- Reduce the number of bridges in less than fair condition by 60 percent, from 319 to 128.
- Reduce the lane miles of pavement in poor condition by 46 percent, from 1,221 to 658.
Questions?