MASSACHUSETTS MUNICIPAL ASSOCIATION

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May 28, 2014

The Honorable Brian S. Dempsey, House Chair
The Honorable Stephen M. Brewer, Senate Chair
The Honorable Stephen Kulik, House Vice Chair
The Honorable Jennifer L. Flanagan, Senate Vice Chair
The Honorable Vinny deMacedo, Ranking House Member
The Honorable Richard J. Ross, Ranking Senate Member
Joint Conference Committee on the Fiscal 2015 State Budget
State House
Boston, MA 02133

Dear Chairman Dempsey, Chairman Brewer, Vice Chairman Kulik, Vice Chairman Flanagan, Representative deMacedo, and Senator Ross:

On behalf of cities and towns in every corner of the Commonwealth, the Massachusetts Municipal Association is writing to support important funding and investments in key municipal and school aid programs in the fiscal 2015 state budget bills that are before you in conference between the branches.

City and town officials across the state appreciate the commitment made to local government in both budget bills during another very challenging fiscal year. It is clear that support for local government and municipal services continues to be a high priority for you and the entire Legislature. The MMA and our members are grateful for your leadership, and for the budgets that you ushered through your branches.

A strong and enduring partnership between cities and towns and state government is essential to a healthy and expanding economy and to the ability of local government to provide world-class education and municipal services, ensure safe streets and neighborhoods, and maintain local roads and vital infrastructure. This is fundamental to our state's economic success and competitiveness.

The lasting impact of the Great Recession has challenged cities and towns greatly. Communities have eliminated 15,000 jobs and, despite a tightly capped property tax due to Proposition 2½, municipalities are more reliant on the property tax to fund essential services than at any time in the past 30 years. Adequate funding for municipal and education aid is necessary in order for cities and towns to provide the basic local and school services that the residents of Massachusetts deserve and expect, and to mitigate today's overreliance on the most regressive of the major revenue sources in the state, the property tax.

UNRESTRICTED GENERAL GOVERNMENT AID (UGGA)

We applaud you and all of you colleagues for adopting a local aid resolution and budget plans that embrace a $25 million increase in Unrestricted General Government Aid in fiscal 2015, and deeply appreciate your early commitment to fund this vital municipal aid program so that cities and towns can incorporate these funds into their budget planning now.

In terms of UGGA, the good news is that the stage is set for potential increases in municipal aid in the final fiscal 2014 supplemental budget that you will consider later this summer. Lottery proceeds are now forecast to exceed the original estimate for fiscal 2014 by more than $20 million, and will certainly end the year significantly higher than that amount. Citizens and municipal officials expect that Lottery revenues will be distributed directly to cities and towns, so that communities can use these local funds to support municipal services and reduce overreliance on the property tax, because the Lottery was created for this purpose.

CHAPTER 70 SCHOOL AID

Under All Budget Proposals a Majority of Communities are Restricted to Minimum Aid

Regarding Chapter 70 education aid, the Local Aid Resolution adopted in March and the fiscal 2015 budgets passed by the House and Senate reflect the same Chapter 70 amount that the Governor filed in January, an overall increase of just over $99 million, with most cities, towns and school districts receiving minimum aid increases of $25 per student. This increase will allow municipal and regional school districts to reach the "foundation" level of spending and phase in a portion of the target share/down payment aid equity provisions adopted in 2006.

However, a significant majority of school districts would only receive minimum aid, which, to be direct, is not adequate to allow cities and towns to maintain existing school programming. Most minimum aid communities will need to cut current education services or divert more funds from the municipal side of the budget, which is why we continue to raise the minimum aid amount as an ongoing issue of concern that we believe must be addressed to avoid significant budget problems at the local level.

Please Support Re-Establishing the Foundation Budget Review Commission

The foundation budget school spending standard that guides Chapter 70 funding was first enacted as part of the landmark 1993 education reform law and has largely remained unchanged since that time. In addition to the need to adjust the foundation budget to reflect the many substantial changes that have occurred in public education over the past 20 years, the current foundation budget structure clearly understates many key education expenses, and does not fully reflect the cost of operating modern school systems, as evidenced by the fact that cities and towns spend $2.1 billion more to run their schools than the amount called for in the foundation budget, and a majority of districts are slated to only receive less-than-adequate minimum aid increases in the future. Both the House (sections 38C and 103A) and Senate (amendment 21.2) budgets now include identical provisions to create a much-needed review of the foundation budget framework, and we ask you to preserve this language so that all stakeholders can participate in the process to update the formula to meet current and future needs.

Please Support the Provisions to Ensure Equity in Net School Spending

Both the House (sections 74A-74F) and Senate (sections 110-114) budgets include important language to establish equity in calculating net school spending under Chapter 70 to allow all communities to count health insurance costs for retired school employees in fiscal years 2016 and beyond, phased in over 4 years, and allow DESE to waive penalties in the meantime. These provisions are vitally needed because current rules exclude these costs from net school spending in some districts, but allow the costs to count in others. On behalf of all of the impacted cities and towns, we ask you to retain these essential budget provisions, and thus ensure equitable and fair treatment for all communities and districts.

REIMBURSEMENTS FOR SCHOOL AID LOSSES RELATED TO CHARTER SCHOOLS

The diversion of Chapter 70 school aid away from public schools to pay tuition to charter schools has imposed a major and growing financial burden on cities and towns, a problem made more acute as the state grants more charters and existing charter schools expand. Local officials strongly support full funding of the Commonwealth's commitment under section 89 of Chapter 71 of the General Laws to reimburse school districts for the loss of a portion of their Chapter 70 aid that is redirected to fund charter schools (budget line-item 7061-9010).

We deeply appreciate the Legislature's leadership this year to secure a $27.6 million supplemental appropriation to fully fund the program in fiscal 2014. And the House and Senate budgets would increase the Governor's original fiscal 2015 recommendation by $5 million, up to $80 million. However, this is still $33 million below the full funding amount required in the statutory formula, which was signed into law only a few years ago.

The funding shortfall means that cities and towns would only receive a fraction of the reimbursements due according to state law, and this would impact a large number of communities. When charter school reimbursements fall short, communities are forced to cut other programs and services to make up the difference. Of the 20 cities and towns with the largest shortfalls, ranging from $250,000 to $10.3 million, 14 of them have been deemed by the state to have underperforming schools. These include some the state's poorest and most financially distressed cities and towns. Thus, the underfunding of the charter school reimbursement formula is harming the most vulnerable and challenged school districts and communities.

Please Prioritize Full Funding in Fiscal 2015

We are asking the Legislature to close next year's $33 million gap as soon as possible, perhaps in the year-end fiscal 2014 deficiency budget or the first supplemental budget of fiscal 2015. Delaying full funding of this key reimbursement program will cause significant disruption in the delivery of school budgets.

SPECIAL EDUCATION CIRCUIT BREAKER

We support full funding of the Special Education Circuit-Breaker Program through which the state provides a measure of support for services provided to high-cost special education students (budget line-item 7061-0012). Under section 5A of Chapter 71B of the General Laws, the state's share is 75 percent of costs that exceed four times the state average per pupil foundation budget. This is an essential program that provides critical funding to assist all school districts with the increasingly burdensome and volatile cost of complex and expensive special education services.

The MMA and municipal and school officials appreciate the Legislature's demonstrated record of commitment to full funding for this vital program. Originally, the Governor proposed level funding, which would have created a shortfall of 3 to 4 percent. Both the Senate and House budget plans support full funding for the circuit breaker, but use different calculations to arrive at the full funding number. The Senate budget projects an increase of $7.9 million to reach full funding, and House members project that $5 million is needed. We appreciate this shared commitment to full funding, and ask you to consult with DESE and ensure that the final appropriation is adequate to fund 100 percent of the program in fiscal 2015.

SCHOOL TRANSPORTATION REIMBURSEMENTS

Please Support the Senate's $18.7 Million Increase for Regional School Transportation

We urge you to increase funding for transportation reimbursements to regional school districts (budget line-item 7035-0006). Funding for this account is vital to regional districts and member cities and towns, particularly in sparsely populated parts of the state. The current fiscal 2014 appropriation of $51.5 million is nearly $7 million below fiscal 2008 levels and is still far below full funding. Decades ago, the state promised 100 percent reimbursement as an incentive for towns and cities to regionalize, and the underfunding of this account has presented serious budget challenges for these districts, taking valuable dollars from the classroom. This is why the MMA and local officials in every corner of the Commonwealth strongly support the Senate's impressive $18.7 million increase, an exceptional step proposed by Senator Brewer that would bring reimbursements up to the highest percentage in a generation.

Support Funding for Out-of-District Vocational Education Student Transportation

The fiscal 2014 state budget included a $3 million item to reimburse communities for a portion of the state-mandated cost of transporting students to out-of-district placements in vocational schools (budget line-item 7035-0007). This account recognizes the significant expense of providing transportation services for out-of-district placements, as these students must travel long distances to participate in vocational programs that are not offered locally, and state law mandates communities to provide the transportation. The Governor's budget eliminated funding for this item, and the House budget proposes to restore $1.5 million. The MMA asks the conference committee to support the Senate's recommendation to bring the program back up to $3 million, and maintain current reimbursement levels.

McKinney-Vento Homeless Student Transportation Costs Remain Underfunded

The budgets put forward by the Governor, House and Senate would level-fund reimbursements for the transportation of homeless students at $7.4 million, which is $7.5 million below the full reimbursement called for under the state's unfunded mandate law (budget line-item 7035-0008). Two years ago, the State Auditor ruled that the adoption of the federal McKinney-Vento law imposed an unfunded mandate on cities and towns. The program was funded at $11.3 million in fiscal 2013 and cut to $7.4 million in fiscal 2014. Level-funding the program would continue to impose a significant burden on those cities and towns that are providing transportation services to homeless children who have been placed in their communities by the state, and we ask you and your colleagues to provide full funding for this mandated program in future supplemental budgets for fiscal 2014 and fiscal 2015.

PLEASE REJECT BUDGET LANGUAGE TO LIMIT MUNICIPAL DECISION-MAKING AUTHORITY ON HEALTH INSURANCE

Language in the House budget (sections 32 and 32A) and in the Senate budget (added by amendment 89.2) would unilaterally extend a 3-year freeze on changing retiree health insurance contribution percentages by an additional 2 years. We strongly urge you to reject these budget provisions, as they represent an unfair, unwise and unwarranted intrusion into local decision-making.

Under existing law, any city or town that used sections 22 or 23 of Chapter 32B (the 2011 municipal health insurance reform law) to implement plan design changes or join the GIC must wait until July 1, 2014, to change retiree health insurance contribution percentages. These budget provisions would unilaterally extend that freeze for two more years, until July 1, 2016, for any municipality that has adopted or may soon adopt the provisions of the 2011 municipal health insurance reform law. Under these proposals, any community that has used or plans on using Chapter 32B to make plan design changes or join the GIC would be prohibited from changing retiree contribution percentages unless the municipality voted to change the contribution rate prior to January 1, 2014 (House) or May 1, 2014 (Senate). This change would delay the ability of over 70 communities to take action on retiree contribution percentages. At a time when OPEB costs are becoming unsustainable, this intrusion into local discretion would thwart municipal authority and prevent local taxpayers and their elected leaders from even considering reasonable changes in contribution ratios.

It is important that you remove these provisions from the conference committee's final fiscal 2015 budget. These sections would undermine the decision-making power of cities and towns to determine health insurance contribution percentages for retirees. Municipal officials have been operating in good faith under the current law, and it is unfair and poor policy to interfere with their authority to act in the best interests of local taxpayers, employees and retirees.

PAYMENTS IN LIEU OF TAXES (PILOT)

We support full funding of the Commonwealth's obligations and commitments to the program for payments-in-lieu-of-taxes for state-owned land, known as PILOT (budget line-item 1233-2400). This is a particularly important program for the cities and towns that host and provide municipal services to state facilities that are exempt from the local property tax. In fiscal 2008, PILOT funding was set at $28.3 million. The Governor proposed to cut the program down to $26.3 million in fiscal 2015, a reduction of $500,000 below the current level. The House budget would restore the $500,000 cut, which is appreciated, yet the MMA and local officials strongly support the Senate proposal, which would bring funding up to $27.8 million.

FUNDING THE STATE MATCH FOR THE COMMUNITY PRESERVATION ACT

In recent years, the state's match for the Community Preservation Act has been significantly underfunded, falling from 100 percent down to just 26 percent in fiscal 2013. In fiscal 2014, the state budget included a provision to use end-of-the-year surplus revenues from fiscal 2013 to boost reimbursements by $25 million, breathing new life into the state's CPA match and bringing the state's contribution up to 52 percent. Because of lagging deeds excise collections, this money must again be added to the CPA program. Otherwise, cities and towns that have adopted the CPA will see a much lower state match next year.

The House's fiscal 2015 budget (section 90) would maintain this policy and transfer $25 million from the "consolidated net surplus" left over from fiscal 2014 into the Community Preservation Trust Fund. The Senate budget (amendment 4 as redrafted) would transfer $10 million to the CPA fund, a major difference between the branches. The MMA strongly supports the House funding level, as this would keep the state match up at the 50 percent level. 155 cities and towns have adopted the Community Preservation Act, based in great part on the existence of a reliable and adequate state match, and the $25 million transfer would keep the program's current level of success and investment.

SHANNON ANTI-GANG GRANT PROGRAM

We support continued funding for the highly successful and effective Shannon anti-gang grant program that has helped cities and towns respond to and suppress gang-related activities (budget line-item 8100-0111). We strongly support the Senate's proposed $9 million funding level for fiscal 2015.

SAFE AND SUCCESSFUL YOUTH INITIATIVE

The Safe and Supportive Youth Initiative program seeks to reduce youth violence through wraparound services for those most likely to be victims or perpetrators of gun violence, and is vital to violence prevention efforts in dozens of communities (budget line-item 4000-0005). The MMA supports the Senate funding level of $5 million.

MUNICIPAL ADMINISTRATION BUDGET ISSUES

Procurement Threshold Relief

The House budget bill (sections 26A through 26F) would increase the thresholds for the use of competitive sealed bidding in the municipal procurement of good and services from $25,000 to $35,000. Below this threshold, cities and towns are required to solicit three written or oral quotes or use sound business practices for the smallest procurements of less than $10,000. It is important to make regular adjustments to the specific dollar amounts listed in state statute to keep pace with inflation, and help cities and towns save time and money for small procurements, and the House budget provisions would make a very reasonable adjustment in the sealed bidding threshold. The Senate budget does not include a similar provision. The MMA asks you to support the House language and include it in your final report to the full Legislature.

Chapter 40B Audits
We support the provision in the Senate budget (amendment 329) that would allow the Inspector General to enter into contracts with third parties to audit all Chapter 40B cost certifications. Following the IG's report of widespread abuse in this program, a system of independent audits would help restore public confidence in this program, and ensure that all 40B projects follow the intent of the law.

Chapter 40S Payments
We support full funding of the Commonwealth's commitment to make payments to cities and towns that approve "smart growth" zoning districts under Chapter 40R and are due school cost payments under Chapter 40S (budget line-item 1233-2401). The MMA has been a strong supporter of Chapters 40R and 40S as important tools to facilitate locally guided zoning initiatives to increase the supply of affordable and market-rate housing. This program may be small, but it is seen as a reflection of the state's commitment to joint state-local efforts to develop affordable housing. Chapter 40S reimbursements are funded at $500,000 this year, and the budgets offered by the Governor and Senate would maintain this funding level in fiscal 2015, while the House has allocated $250,000. We respectfully ask you to level-fund the program at $500,000.

SUMMARY

This is a critical time for our economy, and for cities, towns and local taxpayers. We respectfully ask that you adopt the local aid investments and targeted funding detailed above. Massachusetts is starting to find some new vigor in its economy. But the Massachusetts economy will only reach its full potential for statewide growth and job creation if all 351 cities and towns have the resources to adequately serve the residents and businesses of the Commonwealth.

Please contact us at any time if you have any questions or need additional information by having your office reach out to me or MMA Legislative Director John Robertson at 617-426-7272 or jrobertson@mma.org.

Thank you very much for your support, dedication and commitment to the cities and towns of Massachusetts.

Sincerely,

Geoffrey C. Beckwith
Executive Director

cc: The Honorable Robert DeLeo, Speaker of the House
The Honorable Therese Murray, Senate President

The Boston Globe

INACTION IN D.C. IMPERILS STATE HIGHWAY PROJECTS

By Noah Bierman

WASHINGTON, DC, May 4, 2014 — Nearly $5 billion of proposed road, transit, and bicycling improvements across Massachusetts are at risk because Congress has failed to act at a time when the nation's main source of highway funding verges on insolvency.

State political leaders call a pair of approaching transportation deadlines — one to refill the highway trust fund by this summer and another to renew the national transportation program — a "looming crisis."

At stake is $1 billion a year in federal funding for Massachusetts transportation projects, accounting for about half the needed money, with the state covering the other half, for several years' worth of projects.

The dozens of projects potentially affected are large and small — ranging in cost from a few hundred thousand dollars to a few hundred million dollars. Among them are the reconstruction of Interstate 91 in Springfield, resurfacing of US Route 1 in Peabody, bridge replacements on Route 16 in Medford and Everett, and a new lane on Route 128 north of Wellesley as part of an ongoing project to expand the entire highway to four full-time lanes in each direction. Other projects include a bicycle shuttle on Cape Cod, a harbor walking path in Dorchester, rotary fixes, and a new pedestrian bridge in Western Massachusetts.

A prolonged funding shortage could also derail the final phase of the Green Line extension in Medford and the planned $1 billion South Station expansion.

"That would be an enormous cut to our pretty ambitious transportation program," said Richard A. Davey, the state transportation secretary. "Everything I think that the governor has worked so hard for in transportation would be in jeopardy if we don't see the highway trust fund replenished in some form."

Massachusetts officials have joined a national chorus of state government, transportation advocacy, and private construction industry voices in urging swifter action from a dilatory Congress.

The most significant deadline could come in July or August, when the trust fund is projected to dry up. The second deadline, to pass legislation renewing spending authority for highway money and most other federal construction projects, comes at the end of September.

Massachusetts officials said they have yet to slow any projects nor has the Patrick administration indicated which projects would be in jeopardy should Congress fail to reach a deal. But they caution that all of the $4.9 billion in projects included on a 70-page list covering four years of plans are in danger.

Davey said he is counting on a last-minute deal based on political pragmatism. "Tip O'Neill said it best: 'There's no such thing as a Democratic or Republican pothole,' " Davey said. "These aren't state employees that will be largely affected. These are private sector construction companies that would be largely hurt."

Though many in Congress agree that something must be done to plug the large hole in the highway fund, lawmakers have yet to reach consensus on how much to spend, how long to fund it, and where to get the money.

Congress has long relied on the federal 18.4 cent gas tax. But even as cars become more fuel efficient and inflation raises construction prices, the federal gas tax has not gone up since 1993. Attempts to raise it routinely fail. Instead, the federal government has used more than $50 billion in general fund money since 2008 to plug gaps in the fund. The transportation fund will need another $99.5 billion from the general fund over the next six years to keep funding to the states at current levels while keeping up with inflation, according to the Congressional Budget Office.

That's because the gas tax is projected to stay relatively flat, generating about $39 billion a year for the next decade. But construction costs, which continue to grow, are expected to exceed collections by at least $15 billion beginning in the 2015 budget year.

It is becoming increasingly difficult to make up for the shortfall with general revenues at a time of growing budget deficits and other competing priorities.

"The hole that has to be plugged gets bigger every time and the ability to find money from the general fund gets harder," said David Goldberg, spokesman for Transportation For America, a national organization representing local business and civic organizations. "Every time you have a must-do budget move like this, it opens the door for brinkmanship."

Representative Michael E. Capuano, a Somerville Democrat who serves on the transportation committee, said Congress needs to find a more permanent solution — raising the gas tax, replacing it with a tax on miles traveled by car, or some other source of money. The recent trend of figuring out how to pay for road fixes at the last minute is "silly," he said.

"You cannot build the same number of roads or fix the same number of bridges with the same number of dollars you had — or fewer dollars — than you had in 1993," Capuano said.

Last week, President Obama's administration put forth its first major transportation bill since he took office. The bill would spend $302 billion over four years, relying on a combination of gas tax and closing corporate tax breaks.

It would also allow states to install new tolls on interstate highways, something that is prohibited in all but a few cases, including the Massachusetts Turnpike. The turnpike was built with state money and tolled before it became part of the interstate system.

The toll proposal is a recognition that the federal government cannot keep up with the demand from states for more money.

The Patrick administration has been studying tolling options and welcomed the Obama proposal, which still needs congressional approval. Cyndi Roy Gonzalez, assistant state transportation secretary for communications, said the state's biggest impediment to adding new tolls has been the federal government, which has allowed a limited number of states to add tolls as part of a pilot project.

But tolling I-93 and other interstates has long been controversial and, given the remaining federal and state political obstacles, it appears unlikely to happen before Patrick's term expires in January.

Last year's government shutdown provides a reminder of how difficult it is to reach consensus on spending bills in Congress. The tenor in Washington in the last few weeks has done nothing to dispel concerns that making a bipartisan pact could be difficult, as members of the House and Senate spend most of their time on symbolic votes aimed at scoring political points in this November's Congressional elections.

Though few lawmakers have come out against transportation funding, the problem is that finding money without raising taxes or enlarging the deficit is proving difficult.

Club for Growth, a political committee influential among conservatives, goes a step further, saying the entire federal program should be shut down. Allowing states to keep their federal gas tax collections would save money on federal overhead and give local officials more autonomy, said Barney Keller, the group's spokesman.

"Politicians in Washington, when they get their hands on a funding source, they go on spending binges," Keller said. "It's a never-ending system that will only be perpetuated unless Congress devolves the highway trust fund to the states."

The current funding formula is complex, rewarding some states that have lower populations and larger land masses with extra highway money. All states get more money than they put in. Defenders of the current program warn that leaving states on their own could mean even more disparity in road quality from state to state.

A spokesman for House Transportation and Infrastructure Committee chairman Bill Shuster, a Pennsylvania Republican, said he agreed the problem is urgent but did not endorse a specific remedy. House Speaker John A. Boehner, a Republican, said earlier this year that the hunt for money was underway, but he ruled out any "bailout" that depended on using the general fund.

Senator Edward J. Markey, a Massachusetts Democrat who serves on two committees involved in the bill, called the transportation deadlines "the most important priority for Congress this summer" in a statement.

"If we do not address this looming crisis, we will chill long-term investment in construction, neglect Massachusetts roads, bridges, and transit, and undermine our economy and job creation," he added.

A short-term fix, which many observers predict, could avoid an emergency. For example, lawmakers could try to find a few billion dollars to fund highways projects beyond the November elections by ending an unrelated tax break or dipping into the general fund.

But, state officials warn, that presents its own set of problems, given that many projects take several years to plan and execute.

The Obama administration has said that it would welcome more congressional input, but has been adamant that something be done before the deadlines.

US Transportation Secretary Anthony Foxx recently finished a national bus tour, where he visited manufacturers, bridges, freight facilities, and highway projects to emphasize the need for transportation spending. His office has begun publishing an online "ticker" devoted to updates on the diminishing highway fund.

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Senate Leaders Announce Plan for Transportation Reauthorization

APRIL 14, 2014

By Leslie Wollack

Last Thursday, Senate transportation leaders announced plans to move ahead on a transportation reauthorization bill to replace legislation that expires on September 30.

Senators Barbara Boxer and David Vitter, bipartisan leaders of the Senate Environment and Public Works Committee, told reporters that they hope to move a bill to the full Senate this summer, contingent upon revenues to prop up the Highway Trust Fund.

Subcommittee heads Sens. Tom Carper and John Barasso also participated in the session. Previously, House Transportation and Infrastructure Committee Chair Bill Shuster also said he hopes to bring a bill to the House floor this summer.

In addition to the dire funding conditions for federal transportation programs, there are several additional important issues specifically impacting local governments in the federal program funding highways, bridges, roads and transit programs.

NLC will be advocating for a multi-year bill that allows local governments a greater say in spending decisions through their regional planning organization, including specific funding allocations that allow them to choose projects that improve mobility for people and goods and fit into their overall development goals.

The senators' plan to renew MAP-21, or Moving Ahead for Progress in the 21st Century, calls for a long – term bill at current spending levels plus inflation, keeping current formula programs intact, expanding rural program and "leveraging" local resources. Committee leaders conceded their recommendations would require $16 billion each year in revenues to supplement the shortfall in gas taxes.

The announcement came as the House of Representatives voted on a FY 2015 budget that would limit federal transportation funding to gas tax revenues and cut funding for Amtrak subsidies and transit capital programs.

President Obama and House Ways and Means Chair Dave Camp have offered proposals to use money from corporate tax reform to pay for a new transportation bill. The President's proposal would transfer $150 billion to the Highway Trust Fund to fund a four-year infrastructure bill; Rep. Camp's proposal would transfer $125 billion.

The Congressional Budget Office projects that the Highway Trust Fund will be depleted by the fall. The current gas tax at 18.4 cents has not been increased since 1993 and generates $34 billion annually.

With key committees turning their attention to the transportation renewal, local officials are urged to contact their legislators to let them know how important federal transportation revenues are to their community.

NLC asks that in their conversations with their Congressional Delegation, they should be specific in outlining what critical investments have been made with federal dollars and what would be lost without the funding. They should also stress that since transportation is so critical to job creation and economic output, along with the $53 billion in additional revenues raised by local governments to fund transportation investments in 2011, it is the position of NLC that more funding decisions must be in the hands of local officials acting through their local planning organizations. Local decision-making is a key component to cost-effective and well thought out transporation projects.

Here are links to key Senate and House committee members for your information:

http://www.epw.senate.gov/public/index.cfm?FuseAction=Members.Home
http://www.finance.senate.gov/about/membership/
http://transportation.house.gov/about/membership.htm

NATIONAL LEAGUE of CITIES

Transportation Reauthorization Debate Highlights Critical Role of City Leaders

APRIL 7, 2014

Leslie Wollack

With federal legislation authorizing surface transportation programs expiring on September 30, House and Senate leaders have begun discussions on how to renew the current program in light of transportation revenue shortfalls.

In Washington last month, Senate Environment and Public Works Committee Chair Barbara Boxer convened a panel representing state and local governments to hear their views on the transportation program and the upcoming reauthorization debate.

Senators and witnesses in attendance highlighted the critical role of local officials in making transportation decisions. As Senator Thomas Carper of Delaware noted in his opening statement, investment in local priorities needs to be taken into consideration in transportation decisions. "Local governments need to be at the table with sates when decisions are made," said Senator Carper.

Senator Boxer stressed the importance of accountability and the need to balance transparency and flexibility in spending decisions. The current legislation, known as MAP-21 or Moving American Forward for Progress in the 21st Century, provides greater flexibility for states to make spending decisions without specifying the involvement of local officials or metropolitan planning organizations.

Indianapolis Mayor Gregory Ballard noted the revival of America's cities and the role of the transportation network in vibrant communities. "For many decades transportation planning centered on the movement of people and goods between commercial and residential centers," said Mayor Ballard. "Today, our cities face a much different transportation need – one of connecting people to each other and unique experiences."

Mayor Ballard called on Congress to "support our cities as we seek to build the bike lanes, trails and greenways that serve all the people who want to live, work and raise their families in the new American city. In this country, local governments have always been the cradle of innovation and partnership."

Mayor Mick Cornett of Oklahoma City also testified on the great importance of a national transportation partnership.

"The relationship of the national transportation system to the movement of goods, services and people in our Communities is paramount," said Mayor Cornett. "Well managed dollars committed to infrastructure improvements and community based initiatives directly materialize in our economy and enhance the ability of business and industry to cost effectively move goods and provide services."

This week, the House will consider an FY 2015 budget resolution that would cut many transportation programs, including subsidies for Amtrak passenger rail and transit capital grants, so critical to local transportation networks and the growth of vibrant communities. The budget resolution is a non-binding blueprint and is not signed into law by the President but guides spending decisions for subsequent funding legislation.

With federal tax receipts not sufficient to pay ransportation bills as early as July, according the US Department of Transportation, Congress will face enormous pressure in working on a transportation bill even before the September 30 expiration of MAP-21.

Congressional leaders have pledged to move legislation this year and could begin working on a bill by May. Local officials are encouraged to let their Washington representatives know how important these programs are to communities and the need to ensure that local officials are part of the decision making on the future of transportation networks to their citizens.