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Highway funding experts urge Nov. 4 ballot

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By Glenn Evans gevans@news-journal.com

A trio of highway funding experts urged Longview business leaders Thursday to support a Nov. 4 referendum that would dedicate billions from the state's emergency reserves for highway infrastructure work, including \$1.7 billion next year.

Texas Transportation Commission Chairman Jeff Austin III was perhaps the most blunt.

"We need money," the Tyler resident told some 100 members of the Longview Chamber of Commerce.

Austin started with the financial backdrop.

Texas' population has grown 125 percent in the past four decades, but road use has increased 200 percent, he said. Meanwhile, the capacity of the state's highway network has grown 10 percent.

Sen. Kevin Eltife, R-Tyler, batted next by calling the financial situation at the Texas Department of Transportation "a disaster."

Eltife's evidence was TxDOT's recent history of borrowing money to build roads, accounting for most of the \$30 billion increase in state debt in the past decade, a rise from \$12 billion to \$42 billion.

"We should have raised taxes 10 years ago and put in a pay (-as-you-) go system," the senator said. "We used to be the envy of the country because we went on a pay-go basis."

State lawmakers set aside \$4.5 billion for highway spending in the two-year budget cycle that started almost a year ago — but Eltife said that doesn't keep up with maintenance, let alone new construction.

"That's just to maintain the congestion we've got now," he said, adding the total maintenance need is double that amount.

Proposition 1 will create the state highway system's first consistent, reliable funding source, Austin said.

Eltife added that even passage of Proposition 1 in November will be just a first step to meeting highway needs for the growing state.

“What do we have to do?” he asked. “Omigosh, raise taxes. There needs to be a consumption tax. We have to have the courage to fix the problem.”

Scott Haywood, president of the nonprofit Move Texas Forward formed to back Proposition 1, said the sales tax was last increased in 1991. The gasoline tax was raised to 20 cents per gallon two years later, he said.

“Gasoline was a dollar the last time it was raised,” he said, adding the vehicle registration fee also has been static since the early 1990s.

And inflation has shrunk the spending muscle of the 20-cent-per-gallon gas tax to 6 or 7 cents, Austin added. Meanwhile, highway construction costs have gone up 200 percent in those decades.

A \$500 million highway project five years ago costs \$625 million now, Austin said. That level is expected to reach \$800 million in five years.

Eltife returned to the \$30 billion growth of state debt.

“And you’re going to have to continue to spend those dollars,” he said. “The state should have owned those toll roads. We didn’t do that because that would have been, ‘Big Government.’ ... It’s insanity. We give away the farm all in the name of less big government.

“The only way we are going to solve this state’s transportation needs is with additional revenue — some form of tax.”

Austin immediately noted Proposition 1 doesn’t levy a new tax. The money will be released from the Texas Rainy Day Fund, an account created by fees paid by oil and gas producers.

Those fees feed the fund when they overflow a benchmark.

That fund, formally called the Economic Stabilization Fund, was the source of \$1.9 billion voters approved in 2013 for water infrastructure projects.

It now sits at more than \$8 billion and, thanks to continued oil and gas activity, is projected to reach \$11.8 billion by October 2015.

“Proposition 1, if passed — none of this money will be used for any toll or private construction,” Austin told the group.

Austin said the five-member appointed commission he leads found more than \$2 billion in savings to be realized through the two-year state budget. He also noted the legislation creating November’s ballot passed on a bipartisan basis.

“That took guts and leadership in both (House and Senate) chambers,” Austin said. “People are moving here. We love it, but we cannot take it for granted. We have to protect what we have to go forward.”

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