Portion of gas tax may pad program

Road, bridge projects lack sufficient funds

By Ed Anderson
Capital bureau

BATON ROUGE — The state probably will have to start tapping the 16 cents-a-gallon gasoline tax to help pay for a special bridge and highway construction program because the money earmarked for it is not sufficient to see it through to completion, Department of Transportation and Development Secretary William Ankner said Wednesday.

Ankner briefed the House Committee on Transportation, Highways and Public Works on the status of the department's finances, including the Transportation Infrastructure Model for Economic Development, or TIMED program, launched 20 years ago.

He said the program does not now have the money needed to build a new bridge crossing at Florida Avenue in New Orleans

See **PROJECTS,** *A-3*

Groups suggest options

PROJECTS, *from A-2*

or expand Louisiana 3241 in St. Tammany Parish. The session was informational, and no votes were taken.

The state imposes a 20 cent-a-gallon tax on gasoline: 16 cents for the department's operations and general highway construction needs that are based on a list of priorities, and 4 cents for the special constitutionally protected TIMED projects.

Department Undersecretary Michael Bridges said each penny of the 20-cent tax generates about $30 million. With drivers buying less gas because of higher prices, Ankner said, his office projects that during the next 10 to 15 years, there will be a shortfall in program funding from the 4-cent tax. He said some of the projects in the program have escalated in cost since the 2005 hurricanes, especially the widening of the Huey P. Long Bridge in Jefferson Parish.

"We may have to go into 3 cents" of the 16-cents share of the tax, Ankner said. In the short term, he said, by 2010, he expects to tap 1/4 cent of the tax to help pay for bonds that finance the parts of the remaining two TIMED projects not yet under way. "I am holding my breath" for the next round of revenue estimates for the upcoming fiscal year to be determined in December. Those numbers might show an even steeper decline in gas tax revenues, he said.

Adding to the problem, he said, the federal highway trust fund, from which the state gets $450 million annually, is in danger of being cut based on a new formula to be devised by federal officials. The new formula, he said, could cost the state as much as $200 million.

To help make ends meet, Ankner said, the transportation agency has abolished 396 positions between 2005 and June 30, 2009, and more slots might have to be cut.

Jennifer Marusak, communications director for Driving Louisiana Forward, a group seeking to get $600 million a year more for road needs, said lawmakers at the April session will be asked to consider a range of options toward meeting that funding goal.

Some of the group's suggestions include more quickly phasing in the use of vehicle sales taxes for road construction. The program gradually weans as much as $390 million from the state treasury and places it with the transportation agency to build roads and bridges. Between $26 million and $39 million — about 10 percent of the sales tax dollars — goes to the fund this year; that grows to 20 percent next year and 100 percent by June 2015.

Marusak also called for redirecting money from the transportation department budget that is now used to pay agency employee benefits and putting that money into roads. The benefits run about $50 million a year, she said.

Marusak said that getting a share of an anticipated $865 million surplus the state is expected to have for one-time projects will also go a ways toward meeting the $600 million goal.

"We should not even be thinking about gasoline taxes for the foreseeable future," Rep. Sam Little, R-Bastrop, said. "I think we have just gotten started on bad times.

"We are not at this time proposing any new taxes or fees," Marusak said. However, she said, a more secure revenue source must be found to chip away at the $14 billion construction backlog the department has.

••••••

Ed Anderson can be reached at eanderson@timespicayune.com or 225.342.5810.