

January 28, 2010

RE: Governor's Plan to Divert Road Use Tax Funds to Support the Iowa State Patrol

There has been much discussion about the Governor's plan to divert Road Use Tax (RUT) Funds from their intended purpose of building and repairing our roadways and into the Iowa State Patrol coffers. This plan is flawed in many ways:

- The impact of this decision will be far reaching, and in essence, take money from the cities and counties and move it to offset the State's budget shortfalls. Local governments are also struggling to maintain their budgets and shouldn't be asked to support the State's spending. Over half of the proposed \$50 million diversion will come from funds that are designated to go to cities and counties.
- The funds being diverted could be used as a local match for federal funding programs. Many federal funding programs have a requirement for local matching funds, typically 20% of the funds received. In this manner, \$100,000 of RUT funding could be used to secure an additional \$500,000 in federal dollars. As you can see, the impact of diverting these funds could extend well beyond the \$50 million.
- The diversion of these funds will also impact funding for project development costs such as planning, design, right-of-way acquisition, and permitting in addition to construction costs. At a time when there is a big need for "Shovel Ready" projects to capture stimulus dollars, this diversion will make Iowa much less able to compete for these funds.
- Cities and counties also use RUT funds for maintenance and operations for their roadways. If less money is provided to local agencies, maintenance will be affected and pavements will deteriorate more rapidly, requiring even more money for reconstruction in the future

ASCE is opposed to the plan to divert money out of the Road Use Tax Fund. We need this money to fulfill plans to invest in the State's infrastructure and create and preserve local jobs.

Sincerely,



Greg Shuger, P.E.

President

Quad City Section, ASCE



Jenifer Croat, P.E.

President

Iowa Section, ASCE