

Illinois' dilemma: Billions in capital needs, but prospects dim for funding plan

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By [Doug Finke](#)

State Capitol Bureau

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Most legislators say capital plan won't happen this year

A group of business and labor representatives said last week that the state would need to spend \$21 billion a year to bring the state's roads and public buildings "into a state of good repair."

The huge price tag is partly the result of years of deferred maintenance on buildings and years of not having sufficient money to adequately maintain the state's transportation system, said the report from the Illinois Economic Policy Institute.

The report was issued on the same day a House transportation subcommittee held a hearing on the need for the state to address how to generate more money that can be used for maintenance and expansion of the state's transportation networks.

But despite widespread acknowledgement among lawmakers that the state needs a capital spending plan, election year politics will likely postpone any action for the time being.

"I would say there's a lot of people trying to put something by the end of the month," said Sen. Chapin Rose, R-Mahomet. "I don't want to pour cold water on it, but I'll believe it when I see it."

Rose said he expects there will be a capital bill approved in the next year, but "I don't see the stars aligning before November. That's my hunch."

Sen. Heather Steans, D-Chicago, chair of a Senate appropriations committee, also doubted there would be quick action on a capital plan.

"In terms of a new capital plan, I've not heard any real discussions on that yet," she said.

"There are huge needs, I grant you that. My suspicion is after the election, regardless of outcome, we'll talk capital plan."

At least part of it is reluctance by lawmakers to approve any revenue increases to pay for a capital plan before the election.

"I think that's a challenge, to try to do revenue in an election year," Steans said.

"Huge needs" is one way to describe the findings of the IEPI. The state needs to spend \$21 billion a year on government buildings, schools, roads and mass transit systems.

“The state’s transportation systems and building facilities are deteriorating and will only continue to get worse,” said Mary Craighead, the study’s author, in a statement accompanying its release. “The failure to adequately fund maintenance undermines the state’s economic success and increases both financial costs and safety risks to Illinois residents.”

The study estimated total deferred maintenance on state facilities at \$7.3 billion — and growing by \$550 million a year. It said half of that is from the Departments of Corrections and Human Services.

The report said K-12 school districts need \$7.5 billion over two years for maintenance, building additions and new school buildings.

It said another \$10.1 billion is needed to eliminate the backlog of roads and bridges in need of repair by 2023.

“Funding has been inadequate in recent years and with the lack of any new capital funding proposals, the state’s residents will continue to feel the effects,” the report concluded. “Education, health and corrections facilities will continue to be poorly maintained, roadways and transit systems will continue to deteriorate and be congested, and classrooms will continue to be overcrowded.”

The report did not recommend a financing plan to pay for a new capital program.

How to pay for the transportation part of the state’s capital needs was the focus of the House subcommittee hearing last week. No decisions were reached, but supporters of more transportation funding had a chance to underscore the need for the state to do something.

“The shortfall (of revenue) is staggering,” said Joseph Szabo, executive director of the Chicago Metropolitan Agency for Planning. “Federal aid has stagnated. The inconsistency of regular capital bills at the state level has crippled our region’s ability to address ongoing needs.”

The state’s 19-cents a gallon gasoline tax hasn’t been increased since 1990. Had it kept up with inflation, it would now be at 36-cents a gallon, said Michael Sturino, president and CEO of the Illinois Road and Transportation Builders Association.

At the same time, cars and trucks get better mileage than they more than two decades ago, further eroding the value of the gasoline tax.

Szabo said the state needs to modernize its revenue sources for transportation maintenance and improvements. Any source must be sustainable and indexed to inflation, he said. And it needs to be fair.

“Those who derive the most benefit out of the system should contribute accordingly,” he said.

Benjamin Brockschmidt, an infrastructure specialist for the Illinois Chamber of Commerce, said the chamber has recommended the state eliminate the sales tax that is now applied to gasoline purchases. Revenue from the sales tax goes into the state’s general fund and is not used for road projects. The sales tax would be replaced by a higher gasoline tax whose

revenue would be devoted to transportation projects.

Both Brockschmidt and Szabo said higher vehicle registration fees should be considered. Szabo also said that the state needs to consider the idea of a tax based on the number of miles a person drives. There is resistance to the idea from some people because one way to enforce the tax is by installing trackers on vehicles to keep track of miles driven.

“I could see with trackers on cars we’re going to have all kinds of privacy concerns,” said Rep. Christine Winger, R-Wood Dale.

However, there are alternatives to trackers, such as submitting photographs of a vehicle odometer or having independent verification of odometer readings.

Sturino said that since 2012, 31 states have increased revenues to support transportation programs. As of now, Illinois is tied with Louisiana as states that have gone the longest without increasing gasoline taxes.

“That’s hardly a distinction we should be proud of,” he said. “Deteriorating infrastructure, growing needs, contracted revenues. That’s not a recipe for growing our economy or maintaining Illinois’ most significant asset.”

Contact Doug Finke: doug.finke@sj-r.com, 788-1527, twitter.com/dougfinkesjr.