AGENDA

1:00PM to 1:45PM
- Welcome/Introductions  
  Eric Kalivoda, DOTD
- Comments from the Chairs  
  Dennis Decker & Vince Latino, DOTD
- Questions Before Starting  
  Don Vary, CDM Smith
- Presentation  
  Don Vary, CDM Smith
  - Plan Status
  - Vision, Goals, Objectives, Performance Measures
  - Megaprojects
  - Revenue Scenarios

1:45PM to 2:00PM – Break

2:00PM to 5:00PM
- Asset Management Plan  
  Vince Latino, DOTD
- Megaprojects Discussion  
  Dennis Decker, DOTD
- Revenue Scenario Discussion  
  Don Vary, CDM Smith
- Policy Recommendations Discussion  
  Vince Latino, DOTD
- Plan Implementation Discussion  
  Butch Babineaux, CDM Smith
- Wrap Up/Next Steps  
  Don Vary, CDM Smith
FORECASTED REVENUE SCENARIOS | FY 2012-2044

Scenario 1B - "BASELINE"
- Business as usual, no new revenues or adjustments.

Scenario 2B - "REDUCTION"
- Major reduction in Federal funds (AASHTO, 2012), State funds remain unchanged.

Scenario 3B - "MODERATE INCREASE"
- Increase in Transportation Trust Fund due to State vehicle sales tax revenue infusion in FY 2020, Federal funds remain unchanged.

Scenario 4B - "AGGRESSIVE INCREASE"
- State vehicle sales tax revenue infusion in FY 2020 + increase in Federal funds in FY 2020.

NEEDS = $47 Billion
- Scenario 1B = $18.6 Billion
- Scenario 2B = $16.1 Billion
- Scenario 3B = $28.1 Billion
- Scenario 4B = $35.1 Billion

Forecasted Revenue Scenarios by Mode

<table>
<thead>
<tr>
<th>Mode</th>
<th>Scenario Revenue Levels [FY 2012 – 2044] Constant 2010 Dollars, in Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadway &amp; Bridge</td>
<td>$15.6  $13.4  $24.5  $31.0</td>
</tr>
<tr>
<td>Transit</td>
<td>$1.8    $1.5    $1.8    $2.3</td>
</tr>
<tr>
<td>Port</td>
<td>$0.5    $0.5    $1.0    $1.1</td>
</tr>
<tr>
<td>Aviation</td>
<td>$0.7    $0.7    $0.7    $0.7</td>
</tr>
<tr>
<td>Rail</td>
<td>$0.0    $0.0    $0.1    $0.1</td>
</tr>
<tr>
<td>Total (Billions)</td>
<td>$18.6   $16.1   $28.1   $35.1</td>
</tr>
<tr>
<td>Annual Average</td>
<td>$0.56   $0.49   $0.85   $1.06</td>
</tr>
</tbody>
</table>
Revenue Scenario Allocations | FY 2012-2044

Scenario 1B – “Baseline”
- Highway Operations: 6.8%
- Highway Safety: 7.0%
- Highway Expansion: 15.9%
- Non-Transportation: 0.9%
- Non-Highway/Other Transportation: 18.3%
- Highway Preservation: 51.1%

Scenario 2B – “Reduction”
- Highway Operations: 5.6%
- Highway Safety: 6.4%
- Highway Expansion: 20.4%
- Non-Transportation: 0.8%
- Non-Highway/Other Transportation: 14.8%
- Highway Preservation: 51.9%

Scenario 3B – “Moderate Increase”
- Highway Operations: 9.1%
- Highway Safety: 10.2%
- Highway Expansion: 4.5%
- Non-Transportation: 1.4%
- Non-Highway/Other Transportation: 16.1%
- Highway Preservation: 58.8%

Scenario 4B – “Aggressive Increase”
- Highway Operations: 10.0%
- Highway Safety: 9.3%
- Highway Expansion: 2.6%
- Non-Transportation: 1.6%
- Non-Highway/Other Transportation: 17.9%
- Highway Preservation: 58.6%

Source: CDM Smith, 2013
Forecasts and information are for planning purposes only.
Assumptions:
- Constant dollars, 2010.
- Federal revenues based on MAP-21, DOTD’s historic suballocations continue.
- State revenues based on Louisiana Revenue Estimating Conference results, considers debt service commitments, other administrative costs deducted.
LOUISIANA STATEWIDE TRANSPORTATION PLAN UPDATE
ADVISORY COUNCIL MEETINGS – ROUND THREE
January 22-23, 2014 • Baton Rouge, LA

FUNDING OPTIONS

Needs versus Revenue [FY 2012-2044] = Funding Gap, in Billions

<table>
<thead>
<tr>
<th>Mode</th>
<th>Needs</th>
<th>1B – “Baseline” Revenues</th>
<th>Funding Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadway &amp; Bridge</td>
<td>$28.2</td>
<td>$15.6</td>
<td>$12.6</td>
</tr>
<tr>
<td>Transit</td>
<td>$7.2</td>
<td>$1.8</td>
<td>$5.4</td>
</tr>
<tr>
<td>Freight &amp; Passenger Rail</td>
<td>$2.0</td>
<td>$0.0</td>
<td>$2.0</td>
</tr>
<tr>
<td>Ports &amp; Waterways</td>
<td>$7.1</td>
<td>$0.5</td>
<td>$6.6</td>
</tr>
<tr>
<td>Aviation</td>
<td>$2.6</td>
<td>$0.7</td>
<td>$1.9</td>
</tr>
<tr>
<td>Total</td>
<td>$47.1</td>
<td>$18.6</td>
<td>$28.5</td>
</tr>
</tbody>
</table>

Note: Constant dollars, 2010. Information is for planning purposes only.

Potential Funding Options to "Fill the Gap"

- **General Sales Tax**: Replace the 20-cents-per-gallon motor fuel tax with an increase in the statewide sales tax on all items subject to the current Louisiana sales tax.
- **Motor Fuels Sales Tax**: Convert the 20-cents-per-gallon gasoline tax to a statewide percentage sales tax applied to the value of the motor fuel purchased (or add a smaller sales tax).
- **VMT Fee**: Assess a mileage-based, direct user fee to all driving on all roads.
- **Local Options**: Local funding options such as local motor fuel taxes, local vehicle registration fees, property taxes, local option sales taxes, and local income taxes.
- **Advanced Transportation District**: Regional tax districts which may be established to fund transportation projects.
- **Tolling**: Fees directly imposed to utilize a specific facility.
- **Indexing Motor Fuel Taxes**: Ties motor fuel taxes to an inflation index (e.g., Cost of Living Index, Consumer Price Index) allowing revenues to grow without legislative action.
- **Project Specific Tax**: A sales or motor fuels tax for a specified period to cover the cost of one or more projects (e.g., TIMED Program).
- **Registration Fees**: Increase vehicle registration fees.
- **Violation Surcharge**: A surcharge on certain traffic violations in addition to normal court-inflicted penalties with proceeds allocated to specific public programs (e.g., transportation).
## Revenue Potential of Funding Options

<table>
<thead>
<tr>
<th>Funding Option</th>
<th>Potential Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sales Tax</td>
<td>1-cent sales tax could generate $650 million/year</td>
</tr>
<tr>
<td>Motor Fuels Sales Tax (% of Value)*</td>
<td>7% would have generated $100M in additional $ (2012)</td>
</tr>
<tr>
<td>VMT Fee</td>
<td>One-cent per-mile fee could raise $32.4 billion nationally (2010)</td>
</tr>
<tr>
<td>Local Options</td>
<td>Yield varies based on population size and amount of tax levied</td>
</tr>
<tr>
<td>Advanced Transportation District</td>
<td>Yield varies based on district size/boundaries</td>
</tr>
<tr>
<td>Tolling</td>
<td>Yield varies depending on toll rates and traffic</td>
</tr>
<tr>
<td>Indexing Motor Fuel Taxes</td>
<td>Yield varies depending on indexing mechanism</td>
</tr>
<tr>
<td>Project Specific Tax</td>
<td>Yield varies according to project cost and public willingness</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>An effective $1 increase in vehicle registration fees may generate about $4 million</td>
</tr>
<tr>
<td>Violation Surcharge</td>
<td>$25-$40 million annually if similar to recent initiative in another state</td>
</tr>
</tbody>
</table>

Source: CDM Smith, 2013.
*Replace state gas tax with 7% motor fuels sales tax.

## Evaluation of Funding Options

<table>
<thead>
<tr>
<th>Funding Option</th>
<th>Potential Yield</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Sales Tax</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Motor Fuels Sales Tax (% of Value)</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>VMT Fee</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Local Options</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Advanced Transportation District</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Tolling</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Indexing Motor Fuel Taxes</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Project Specific Tax</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Violation Surcharge</td>
<td>Moderate</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: CDM Smith, 2013.