



Oklahoma
State
Senate

*Legislative
Brief*
July 2000

Highways

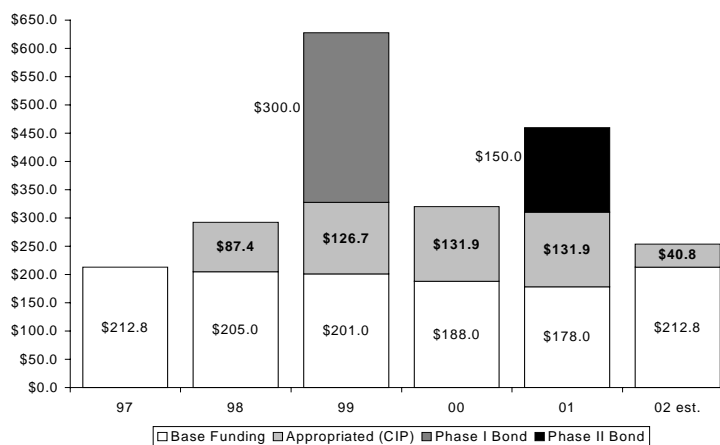
Issue Background

The Oklahoma Department of Transportation in 1995 released a comprehensive highway needs study which concluded that there was a \$4.57 billion backlog of state highway construction needs. At that time, state fuel taxes were the only significant source of revenue for highway construction, and projected fuel tax growth of 2% annually would never bridge the gap between revenues and needs.

Summary of Actions

In 1997 the Legislature adopted HB 1629, a plan (CIP) that will provide \$1.01 billion in new revenue for highway construction. HB 1629 was the state's largest capital improvement plan and was meant to supplemental ODOT's 5-year road plan. Using a combination of appropriated funds and bond sale proceeds, HB 1629 nearly doubled the amount ever spent for state highway construction. HB 1629 authorized a specific list of road projects to be accomplished with the new funding. It also required ODOT to construct, improve, maintain and repair all highway projects listed on the 5-year plan as it existed on May 28, 1997. Funding for the 5-year plan and the CIP was to remain separate.

State Highway Funding Under 1997 Road Plan



Of the \$1.01 billion total, \$560 million is provided as direct appropriations to ODOT and \$450 million is bond financing. The \$1.01 billion funding is divided into two phases:

- Phase I of the Capital Improvement Program provides for the funding of \$710 million in specific road projects listed in HB 1629. Of the total, \$410 million was directly appropriated between 1998 and 2002 to provide cash, and \$300 million was generated by the sale of revenue bonds in 1999.

- Phase II of the CIP provides for the anticipated funding of \$300 million in specified road projects. Phase 2 provisions are contingent on reevaluations of highway needs and economic performance. Of the total, \$150 million is direct appropriations and \$150 million is bond financing. The Legislature agreed only to issue the bond portion of Phase II in FY'01.

FY'98 Funding of the 1997 Capitol Improvement Program**HB 3048**

In addition to providing funding for the 5-year plan, the Legislature also appropriated \$50 million from the Constitutional Reserve Fund and \$37.4 million from other funds to the Department of Transportation for the purpose of funding the first year of the Capitol Improvement Program.

FY'99 Funding of the 1997 Capitol Improvement Program**HB 2259**

In addition to providing funding for the 5-year plan, the Legislature also appropriated \$80 million from the Constitutional Reserve Fund and \$46.7 million from other funds to the Department of Transportation for the purpose of funding the second year of the Capitol Improvement Program. Of the total new money, \$26.7 million was used to pay debt service on the \$300 million CIP bond issue.

FY'00 Funding of the 1997 Capitol Improvement Program**HB 2259**

In addition to providing funding for the 5-year plan, the Legislature also appropriated \$82.2 million from the Constitutional Reserve Fund and \$49.7 million from other funds to the Department of Transportation for the purpose of funding the third year of the Capitol Improvement Program. Of the total new money, \$39.4 million will be used to pay debt service on the \$300 million CIP bond issue.

FY'01 Funding of the 1997 Capitol Improvement Program**HB 2259**

In addition to providing funding for the 5-year plan, the Legislature also appropriated \$70.6 million from the Constitutional Reserve Fund and \$61.3 million from other funds to the Department of Transportation for the purpose of funding the fourth year of the Capitol Improvement Program. Of the total new money, \$39.4 million will be used to pay debt service on the \$300 million CIP bond issue. In addition, the Legislature voiced the intent to issue phase 2 bonds during FY'01.

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