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# **WEST VIRGINIA**

## **HIGHWAY FUNDING PROGRAM**

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**MIKE CLOUSER**  
Executive Director

CONTRACTORS ASSOCIATION OF WEST VIRGINIA



# WV Transportation Funding Challenges

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- West Virginia is one of four states with jurisdiction over both state and county roads.
- This makes WV the sixth largest state maintained highway program in the nation.
- Counties have no structure or mechanism for funding road maintenance.



# Current Condition of Transportation Infrastructure

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- More than one-third (36 percent) of West Virginia's major roads are either in poor or mediocre condition.
- West Virginia is sixth in the nation (29 percent) of rural pavements in poor condition.
- A total of 35 percent of state bridges are in need of repair, improvement or replacement.



# Current Condition of Transportation Infrastructure

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- West Virginia has the 19<sup>th</sup> highest number (13 percent) of rural bridges rated as structurally deficient.
- There are over 7,000 vehicular bridges on the state highway system with an average age of nearly 40 years. Bridges typically have a design life of 50 years.
- The state's overall traffic fatality rate of 1.78 fatalities per 100 million vehicle miles of traffic in 2011 was **second highest** in the nation.

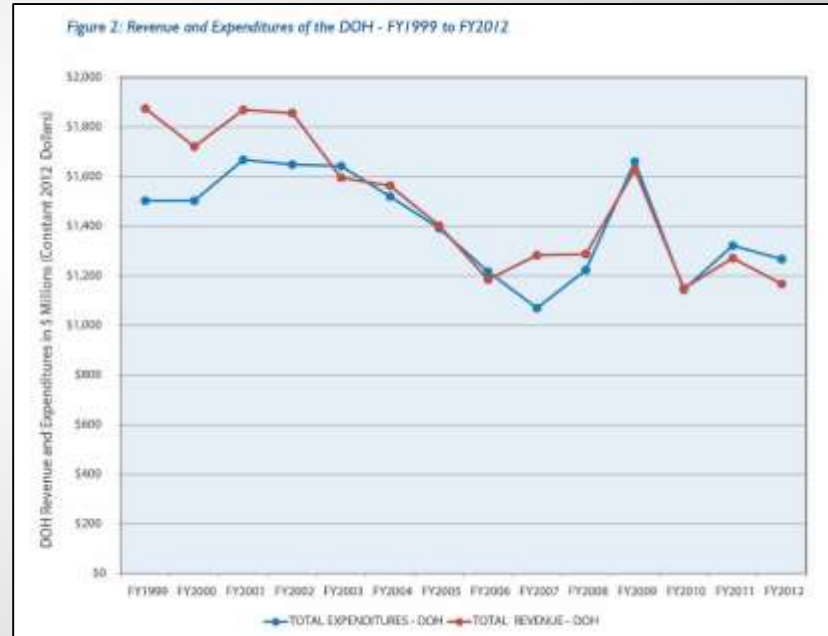


# Governor's Blue Ribbon Commission on Highways Formed



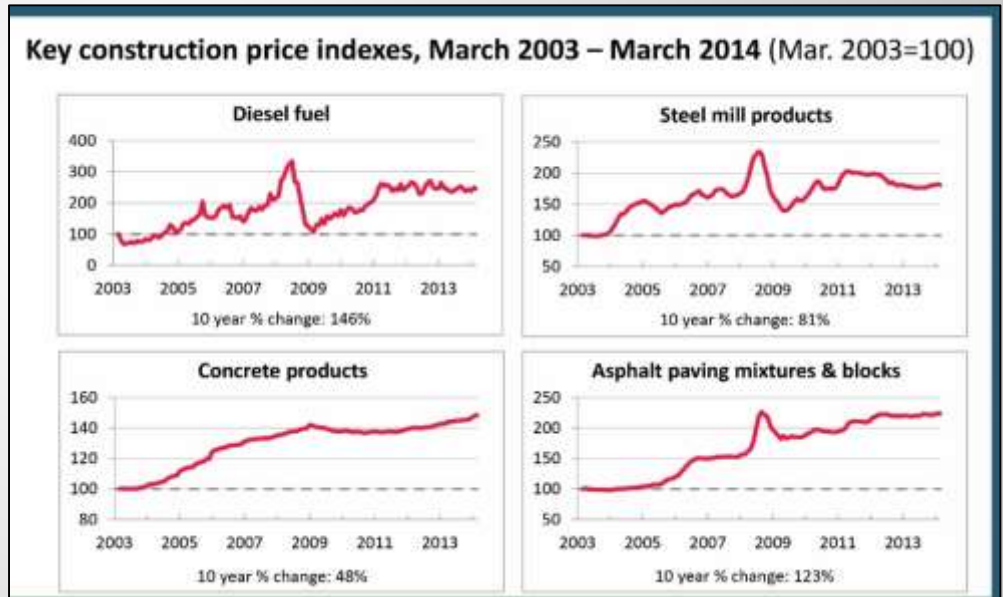
# Current Transportation Funding Issues

The value of current revenue is only **62 percent** of what it was in FY 1999.

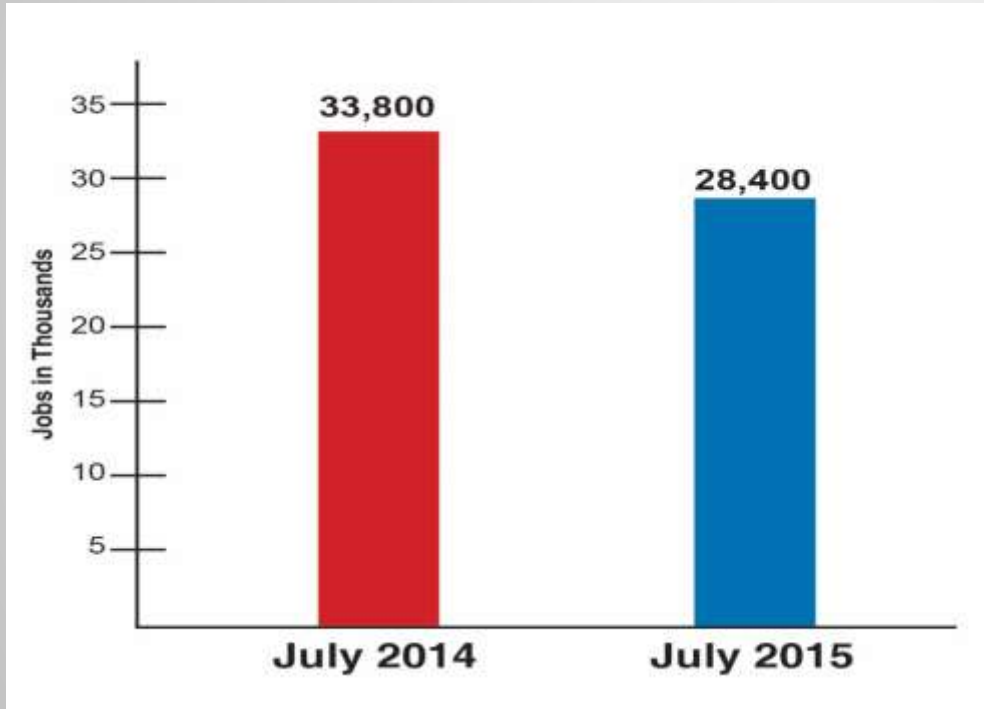


# Current Transportation Funding Issues

While revenue has been stagnant, transportation costs have not.



# West Virginia's construction industry lost 5,400 jobs between July 2014 and July 2015.

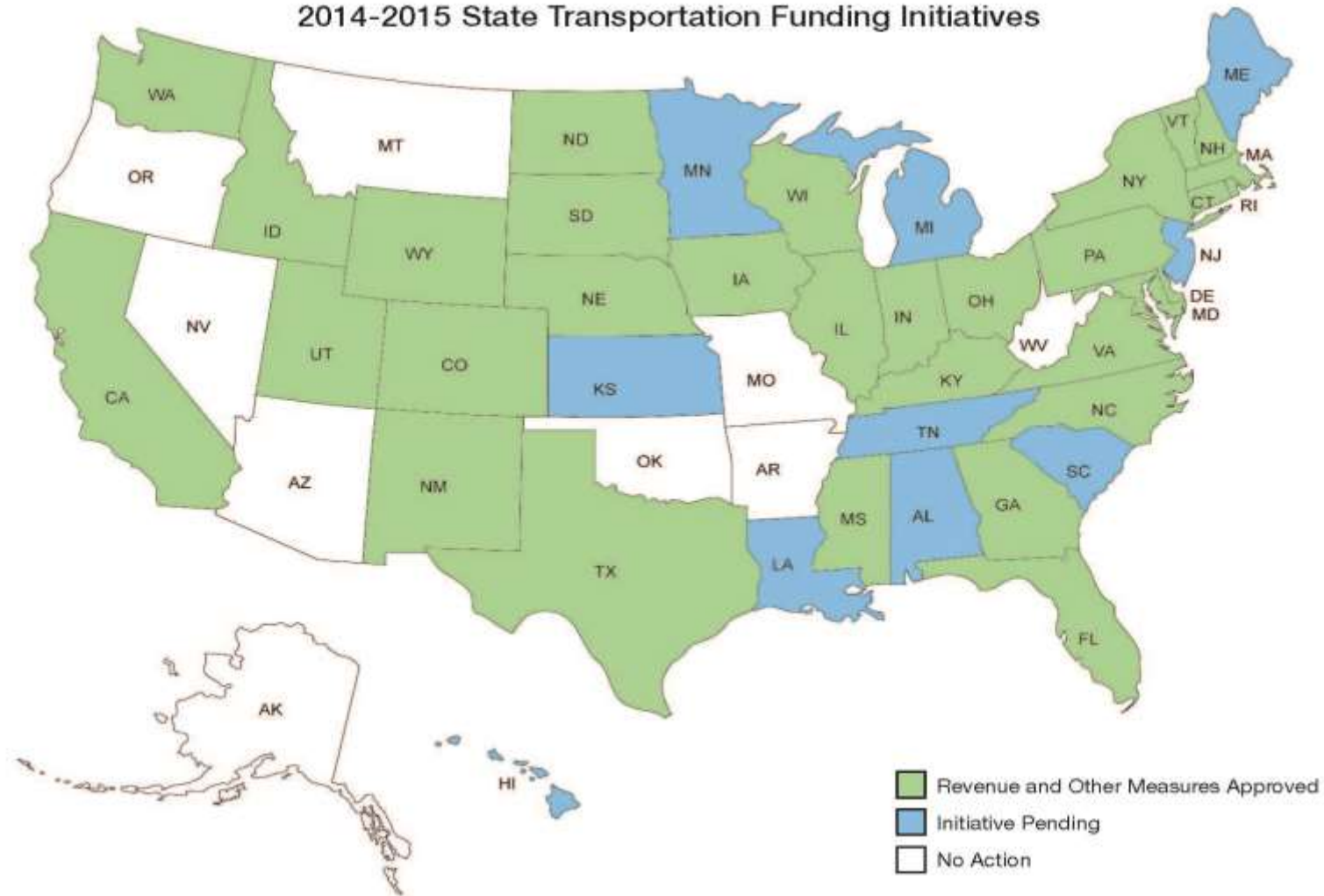


(Source: U.S. Bureau of Labor Statistics)

**16%  
drop  
in one  
year**

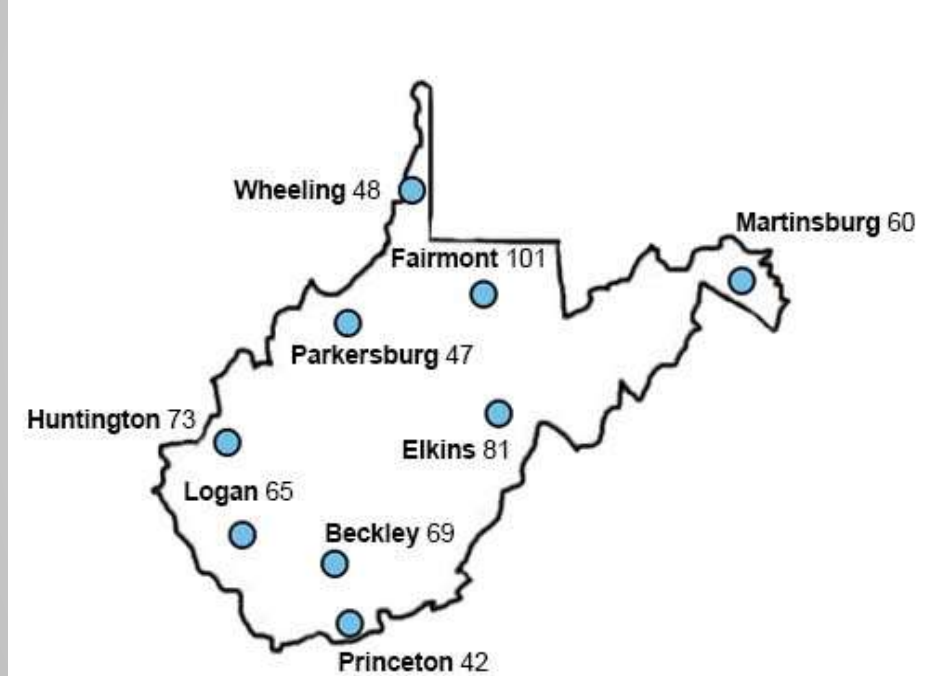


## 2014-2015 State Transportation Funding Initiatives



# Public Hearing Locations

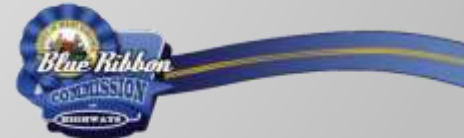
586 West Virginians Attended in Person



## In addition to Public Hearings:

- 750 Surveyed Online
- 61 responses received via mail

**In total, nearly 1400 West Virginians voiced their opinions.**





WEST VIRGINIA  
BLUE RIBBON COMMISSION ON HIGHWAYS

INVESTING in  
West Virginia's  
FUTURE

PHASE I



# Blue Ribbon Commission Recommendations

- New Sources of Revenue
  - Motor Vehicle Tax
  - Vehicle Registration Fees
  - Alternative Fuel Vehicle Fees
- Innovative Financing Methods
- Cost Efficiencies



# **2014 Election**

## **WV Legislature**

### **Changes**

# #FTDR

**MetroNews**

**TALKLINE**

*with Happy Kerschival*





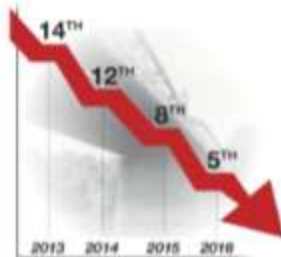

## STREET VIEW

West Virginia's transportation infrastructure is facing a major funding crisis and, if left unresolved, will continue to deteriorate at an accelerated and alarming rate.

### THIS ISSUE'S FACT:

#### WEST VIRGINIA NOW RANKS FIFTH WORST BRIDGES IN THE NATION

- West Virginia's bridges are not only deteriorating, they are deteriorating at a faster rate than anywhere in the country.
- In a new report on U.S. roadway bridge conditions, West Virginia now ranks fifth worst in the nation based on 17 percent, or 1,247, of the state's total bridges being structurally deficient.\*
- This is up from 8<sup>th</sup> worst in 2015, 12<sup>th</sup> in 2014 and 15<sup>th</sup> in 2013.
- West Virginia also had the highest rate of decline - 14.2% - of any state in the nation.
- In 2015, the WV Division of Highways had to transfer money from the small bridge repair and replacement program when the state's secondary road program did not meet pavement performance standards under the congressional "Drive Act".
- The state has identified needed repairs on 3,416 bridges, which the state estimates will cost \$3 billion.
- Every year, \$40.8 billion in goods are shipped annually from sites in West Virginia and another \$64.1 billion in goods are shipped annually to sites in West Virginia, mostly by truck.
- If a company has to drive miles out of its way due to a bridge having a reduced posted weight limit, the company will either not locate in West Virginia or will add the increased cost onto the price of the product which consumers must pay.



***WEST VIRGINIA TRANSPORTATION  
BY THE NUMBERS:***

Meeting the State's Need for Safe, Smooth  
and Efficient Mobility

**FEBRUARY 2017**



Founded in 1971, TRIP® of Washington, DC, is a nonprofit organization that researches, evaluates and distributes economic and technical data on surface transportation issues. TRIP® is sponsored by insurance companies, equipment manufacturers, distributors and suppliers, businesses involved in highway and transit engineering and construction, labor unions, and organizations concerned with efficient and safe surface transportation.





**STATE ROADS & BRIDGES  
WORSENING  
COSTING MOST DRIVERS  
OVER \$1,000  
ANNUALLY IN REPAIRS**

Our roads and bridges are crumbling. And the cost we pay to fix our cars due to bad roads keeps increasing.

TRF, a national transportation research group, reports that driver repair costs have almost doubled in the past five years. West Virginia motorists pay \$1.4 billion or as much as \$1,429 per driver annually.

**Regional Cost of Driving\***

Charleston - \$1,357  
Huntington - \$1,521  
Morgantown - \$1,438

Ferrousburg - \$1,274  
Wheeling - \$1,315

West Virginia has the fifth highest percentage of structurally deficient bridges in the country, up from 12th just two years ago. The fatality rate on West Virginia's rural roads is nearly three times higher than the death rate on all other roads and highways in the state.

Fixing our roads will put tens of thousands West Virginians back to work. \*\* It will save lives. And grow our economy.



\*2008 Regional Cost of Driving Report, prepared by TRF, a national transportation research group.  
\*\*Source: West Virginia Department of Transportation, Bureau of Transportation Planning and Policy.

# FIX OUR ROADS

## NEW JOBS + SAFER ROADS

[FixOurRoadsWV.com](http://FixOurRoadsWV.com)

Paid for by West Virginians for Better Transportation, Janet Vineyard, Treasurer



25th Street  
Northwest Main St  
Exit 101

State Capital  
Charleston, WV  
Exit 101

# FIX OUR ROADS NOW



## PENNIES A DAY FOR SAFER ROADS, GOOD PAYING JOBS

Our roads and bridges are crumbling. And many West Virginians are out of work.

For less than 15 cents a day\*, we can begin to fix our roads and bridges and put thousands of West Virginians back to work.

Bad roads are already costing state drivers more than \$1,000 annually\*\* – or nearly \$2.75 a day – in vehicle maintenance and repairs.

Fifteen more cents a day to save \$1,000 annually ... and we can begin to fund our roads, make them safer and create more jobs.

How 15 cents a day to drive on safe and modern roads and bridges compares to other everyday expenses:

20 oz. soda: **\$1.59**      Coffee: **\$1.39**  
Power drink: **\$2.50**      Lattes: **\$4.25**

## Fix Our Roads Now!

\*Based on a 15-cent daily contribution to the state road fund.  
\*\*Source: West Virginia Department of Transportation, February 2010. ADP

**FIX OUR  
ROADS**

[FixOurRoadsWV.com](http://FixOurRoadsWV.com)

Part of the West Virginia 100th Anniversary

SCORE: **1 000**



WEST VIRGINIA

00:05:54

GET WEST VIRGINIANS  
**BACK TO WORK!**





# WEST VIRGINIA BRIDGES NOW 5<sup>TH</sup> WORST IN THE U.S.

West Virginia's bridges were bad two years ago. But, a new study says the state's bridges are even worse. The report says 17 percent of the state's bridges are structurally deficient, the 5th highest percentage in the nation.<sup>1</sup> Two years ago, the state's bridges were the 12th worst in the country.

Structurally deficient means one or more of the key bridge elements are considered in poor or worse condition. While those bridges may not be imminently unsafe, they have serious deficiencies that need repair.

While other states repair their roads and bridges, West Virginia's transportation system is crumbling. Repairing our roads and bridges will create tens of thousands of jobs, grow our economy and save lives.

**WE'VE WAITED  
LONG ENOUGH.**



Source: National Department of Transportation 2011 National Bridge Inventory compiled by the American Road & Transportation Builders Association

# 62% OF WEST VIRGINIANS SUPPORT SB 555

**BILL WOULD INCREASE FUNDING FOR ROADS AND BRIDGES BY \$316 MILLION ANNUALLY**

West Virginia voters are saying loud and clear - **Fix Our Roads Now!**

A new survey shows that a **majority** of voters in West Virginia believe that there is an urgent need to fix state roads and bridges and a clear majority of those polled support legislation in the state Senate that would increase funding for transportation.

**75 percent** believe there is an urgent need to repair roads and bridges.

**62 percent** support SB 555, which would raise \$316 million in new funding and includes restoring the gas tax while prices stay below \$2/gallon and increasing DMV fees for the first time since 1970.

**Our roads and bridges are crumbling. And many West Virginians are out of work. With passage of SB 555 we can begin to fund our roads, make them safer and create more jobs.**

## FIX OUR ROADS

**FixOurRoadsWV.com**

PAID FOR BY WEST VIRGINIA FOR  
BETTER TRANSPORTATION,  
JANET WINEGARD TREASURER



## 2016 CAWV Candidate Questionnaire



Name of Candidate: \_\_\_\_\_

Political Party: \_\_\_\_\_ Senate / House District: \_\_\_\_\_

Name of Campaign Committee: \_\_\_\_\_

Address of Campaign: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Return to:

Mike Clowser, Executive Director

Contractors Association of West Virginia

2114 Kanawha Blvd. East | Charleston, WV 25311 | (304) 342-1166

Email: [mclowser@cawv.org](mailto:mclowser@cawv.org)

#### INFRASTRUCTURE INVESTMENT

West Virginia has invested in important transportation, water, sewer, schools, flood control and public buildings. This vast infrastructure network provides thousands of jobs plus allows West Virginia to compete for economic development projects. It also provides for a better quality of life for all West Virginians. However, that competitive advantage is undermined when dedicated funds for schools, water and sewer systems and highways are diverted to shore up the state's budget deficits. As a result, the state's infrastructure continues to age and deteriorate to the point where its operational effectiveness and safety are in question.

#### CAWV POSITION

West Virginia must not allow our infrastructure to deteriorate and become even more outdated or become unusable. CAWV supports increasing and prioritizing direct investment infrastructure and advocates for increased use of new and additional financing mechanisms.

#### CANDIDATE POSITION

I **SUPPORT** prioritizing government funding for the purposes of investment in maintenance and modernization of public infrastructure (i.e., transportation, water resources, water and sewer infrastructure, schools, public buildings, etc.).

I **OPPOSE** prioritizing government funding for the purposes of investment in maintenance and modernization of public infrastructure (i.e., transportation, water resources, water and sewer infrastructure, schools, public buildings, etc.).

I **OTHER**, please explain: \_\_\_\_\_

\_\_\_\_\_

#### STATE ROAD FUND

The State Road Fund is the principal mechanism for funding the construction and maintenance of West Virginia's highway system. User fees including the state gas tax, registration fees and sales tax on vehicles provide the only revenue to the State Road Fund. Currently, these fees consist of 20.5 cents/gallon retail tax on gasoline, 12.7 cents/gallon on the wholesale price of gas, drivers' license and vehicle registration fees and a 5 percent tax on vehicle sales. These levels have not been increased for over 20 years, so the fees no longer provide the SRF with the same buying power. In fact, the purchasing power of every SRF dollar has decrease by nearly 40% since the retail tax was last increased in 1993.

The Governor's Blue Ribbon Commission on Highways concluded that an additional \$750 million per year is needed just to maintain highways. To provide for expansion of the system, an additional \$376 million would be required, totaling \$1.13 billion per year. To see the Blue Ribbon Commission's full report, go to <http://www.transportation.wv.gov/highways/highwayscommission/Pages/default.aspx>.



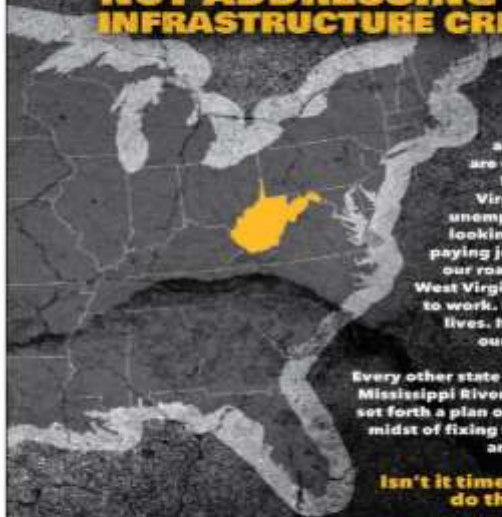








**WEST VIRGINIA IS THE  
ONLY STATE  
EAST OF THE MISSISSIPPI  
NOT ADDRESSING ITS  
INFRASTRUCTURE CRISIS.**



Our roads  
and bridges  
are crumbling.  
Many West  
Virginians are  
unemployed and  
looking for good  
paying jobs. Fixing  
our roads will put  
West Virginians back  
to work. It will save  
lives. It will grow  
our economy.

Every other state east of the  
Mississippi River has either  
set forth a plan or are in the  
midst of fixing their roads  
and bridges.

**Isn't it time that we  
do the same?**

PAID FOR BY WEST VIRGINIA FOR BETTER TRANSPORTATION, JANE VINEYARD, TREASURER

**FIX OUR  
ROADS**

[FixOurRoadsWV.com](http://FixOurRoadsWV.com)

## October bond vote could bring construction boom to state

by RUSTY MARKS  
marks@statejournal.com

A referendum going to voters on Oct. 7 to allow the state of West Virginia to sell \$1.8 billion in general obligation bonds is not the only component of Gov. Jim Justice's roads plan.

State Transportation Secretary Tom Smith said the bond sale would only pay for about 60 percent of what the governor is calling the "Roads to Prosperity" program. Justice has called for about \$3 billion in new construction and maintenance on roads and bridges all over the state of West Virginia in a program he is convinced will spur economic growth, put tens of thousands of West Virginians to work and shore up the Mountain State's neglected infrastructure.

"Think of the payroll taxes alone," Justice said in a telephone interview. Justice believes the road-building blitz — scheduled to take place over four years — will bring in hundreds of millions of dollars in payroll taxes and ancillary revenue and create 40,000 jobs.

The jobs figure, which Justice has used throughout his first months in office, is based on a 2014 study of the effects of infrastructure investment on job creation conducted by the Duke Center on Globalization, Governance & Competitiveness. According to the Duke study, every \$1 billion in federal roads investment creates 21,671 jobs.

Not everyone agrees with the governor's estimate. Both Ted Boettner, director of the left-of-center West Virginia Center on Budget & Policy, and Garrett Ballengee, director of the conservative Cardinal Institute for West Virginia Policy, are among those who



West Virginia DOT

State Transportation Secretary Tom Smith explains Gov. Jim Justice's roads program at a meeting in Beckley.

have said job creation estimates for the massive roads project should be taken with a grain of salt.

But most observers agree that \$3 billion in roads projects is going to put people to work.

"Clearly it's going to be a lot of jobs," West Virginia Affiliated Construction Trades union director Steve White said in July.

The roads program is expected to create enough jobs that White and leaders of other labor organizations are concerned about being able to find enough qualified workers to fill them. White said in July the ACT union only has about 22,000 members in West Virginia, and only about a quarter of those work in road construction.

Justice has said training

programs are being put in place all over the state to prepare a labor force to work on the roads program, including training programs designed to retrain out-of-work coal miners as construction workers.

In June, members of the West Virginia Legislature voted to increase the wholesale tax on gasoline, increase the sales tax on vehicles from 5 to 6 percent, raise fees for documents and services from the Division of Motor Vehicles and raise tolls on the West Virginia Turnpike — all measures designed to provide enough money to pay off the general obligation bonds that voters will be asked to approve in October. The new taxes and fees went into effect July 1 and are generating about \$130 million a year

to pay for the bonds.

But the general obligation bonds are only one of what Justice has called several "buckets of money" to pay for the roads program.

Highways officials have a bucket list of about 600 roads projects spread out all over West Virginia that they intend to pay for through various funding sources.

"We've said all along (these projects) are all connected," said state Department of Highways spokesman Brent Walker. "All of these projects together make up the 'Roads to Prosperity' highway program."

The \$1.6 billion in general obligation bonds is intended to create a large bucket of money available all at once that highways officials can use to pay for some of the

most expensive projects on the list right up front, projects it would take years or even decades to get to if paid for piecemeal, Smith said.

Projects slated for construction using general obligation bond money include \$170 million for fixing or replacing 25 bridges in the Wheeling area, \$170 million for a new Interstate 64 bridge at Nitro, \$150 million for work on U.S. 52 in Wayne County and more than \$65 million for widening congested Jefferson Road in Kanawha County to four lanes.

Also during the regular legislative session, lawmakers voted to increase to \$500 million the amount of money that highways officials could ask for using federal Grant Anticipation Revenue Vehicle bonds, or GARVEE bonds, which are the usual way the state pays for road construction.

Walker said the state will sell \$205 million in GARVEE bonds in October.

He added, "You're going to see a lot of pavement rehabilitations on the interstates."

Construction crews will be rebuilding sections of interstate from the ground up, Walker said.

Highways officials also plan to sell bonds for projects specific to the West Virginia Turnpike.

The tax and fee increases approved by the Legislature to pay off the general obligation bonds are bringing in more than \$10 million a month, for a total of about \$150 million a year. But Walker said those funds won't be needed to pay off the general obligation bonds for a year or so.

In the meantime, state highways officials are using that money stream to fast-track quick and easy roads projects all over the state and get a head start on highway construction, Walker said.

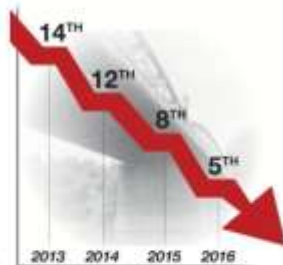
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# Charleston Gazette-Mail

A PULITZER PRIZE-WINNING NEWSPAPER

www.gazette-mail.com

## Gov.: 'Progress is being made'

Latest state budget plan offers lower sales tax hike, slower income tax reductions

By Matt Kohn

Legislative leaders are on hand to review the state budget plan that Governor Earl Ray Tompkins unveiled today. The plan offers a lower sales tax hike and slower income tax reductions.

Tompkins said in a statement today that he is pleased with the plan. "I'm confident we can get this done," he said. "I'm confident we can get this done."

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## RESAs might seek funds

Justice cut \$3.7M, ordered agencies to be disbanded

By Ryan Stone

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## CONTRACTORS BUILDING SUPPORT



Gov. Tompkins, left, and Sen. Hinkle, right, at a press conference today. The sign behind them says "ROADS = JOBS".

## Industry group: Justice infrastructure plan will create needed jobs

By Matt Kohn

A NATIONAL construction group today said it supports the state budget plan that Governor Earl Ray Tompkins unveiled today. The plan offers a lower sales tax hike and slower income tax reductions.

"Proposals like the governor's will bring more workers into the economy. Without increased funding, West Virginia infrastructure will continue to crumble and jobs will disappear."

By Matt Kohn

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## House Intel issues 7 subpoenas

Comey cleared to testify again

By Matt Kohn

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# 2017 Highway Funding Legislation

- Private Public Partnerships P3 – H.B. 2721
- Design Build – H.B. 2722
- GARVEE – H.B. 2878 - \$500 M
- Parkways S.B. 1003 - \$500 M
- Fees S.B. 1006 - \$145 M Annually  
(Gas tax, DMV fees and vehicle sales tax)
- \$1.6 Billion Road Bond Constitutional Amendment



*Let's Fix* **West Virginia's** *Roads!*

