

Locals Can Pay for Local Projects

By Senator John Cowdery

The on-going process of transferring costs of local roads and other facilities boiled to the top of the news the other day, following a meeting between the Anchorage Caucus, the Mayor and members of the Anchorage Assembly.

Some of our public officials seem to have been caught off-guard by what they described as a policy “thrown on the table at the last minute.” I would be curious to know where the Mayor’s staff has been since June, when the Governor’s veto message described the reductions to the federal programs state match, or why they don’t understand how the STIP, the Statewide Transportation Improvement Plan, process works. The STIP was released in August and has a comment period that ends on September 19.

The decision by the Murkowski administration to ask local partners to pay for the match costs on local roads is nothing new. It is the continuation of a policy of transferring local roads, harbors, airports, utilities and public buildings, which are used primarily with a local focus, to local control. This policy goes back to, at least, the Sheffield administration.

Notable among these efforts is the conversion of many gravel roads to blacktop or chipseal with the agreement of local governments to then take over maintenance and operation. We have successfully upgraded and transferred, or are in the process of transferring, many small boat harbors from Juneau to Seldovia to Valdez to Cordova. When you think about it, does it make any sense for the state to be providing small boat harbors for local communities when they should take the responsibility upon themselves? The same holds true for local roads.

The initial funding of many public projects is provided through a blend of federal, state and local sources. Given the shortfalls in revenue that the state is now experiencing, it is only reasonable that local governments provide more of the match for local roads, which DOT&PF expects will range from zero to 10 percent.

Another interesting piece of information to be found in the STIP, and which was briefly touched upon in the Anchorage Daily News article on the controversy, is that project funding is about \$125 million under what had been in last year’s STIP. The news article cited a drop in gas tax revenues but that is only part of the reason why. The rest of the story is a \$50 million hole left by the Knowles administration by over-programming the STIP in an election year.

Normally, the STIP is over-programmed by about five percent so that if some projects are not as far along as they should be at the time the federal dollars for them must be committed, another project will be able to accept those dollars. If the federal dollars are not taken, they return to the Federal Highway Administration for redistribution to other states.

In federal fiscal year 2003, the Knowles administration over-programmed the STIP by 27 percent, instead of the usual five. That is, they programmed for building 27 percent more capital projects than could be funded. I will leave it to the reader to draw his or her own conclusions as to why that was done. But suffice it to say Knowles and his staff would not be around to have to explain to local leaders why their projects are suddenly off the STIP or pushed back several years. Mayor Begich may have an advantage over other mayors in this regard, because he has Governor Knowles' former chief of staff, David Ramseur working for him and he may be able to provide an explanation of all the details of the issue.

We don't know if the "crisis" that was in the news last Wednesday was due to poor staff work at the Mayor's office, or the Democrats discovering some hammer with which they hoped to beat up on the Governor. The bottom line is that local governments should be more willing to step up to the responsibility of operating local facilities, instead of always relying on the state.