

Borrowing for Transportation

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A "something for nothing" scheme to solve our transportation woes was proposed by a group of Republican House of Delegates members last week. The good news in their proposal is the acknowledgement that there is a shortfall in funding needed transportation projects. That's more than they were willing to do in the past legislative session when this same group of delegates helped to kill more responsible proposals for transportation funding made by the Governor and by the Senate Finance Committee.

The downside of the proposal is that it is based on borrowing. While some borrowing may give you some immediate road widening and intersection improvements, it also saddles you with debt payments for the next 20 to 30 years. The money used to pay the interest on the debt will not be available for road improvements. Similar borrowing schemes under Governor Gilmore increased interest payments on debt from about one percent of the transportation budget to 15 percent.

Two other observations make the proposal seem suspect. On the same day it was made, Grover Norquist, president of Americans for Tax Reform, put out a "least wanted" poster of delegates who voted for the recent tax increase in Virginia. Only one of the delegates making the transportation proposal was on the poster. In other words, the delegates proposing to spend the new revenue had voted against raising it. Can we be sure that these same delegates will not be attempting to take the cap off the car tax cut or to rescind the tax increase? It seems a little less responsible to vote against taxes but to be the first in line to spend the money.

The proposal was a Republican one. No Democrat was asked to participate in its planning or in its announcement. A really serious proposal would have sought bipartisan support from the beginning. With the governorship and the House of Delegates up for election next year, this may simply be the opening of the next election season.

The gravest concerns about the proposal are the method proposed to pay it back and its impact on other borrowing. Certain existing tax revenue sources would be used to pay the interest on the bonds. The education, public safety, and human services programs currently funded by those streams of revenue would be left to be funded by surplus revenues, if there was any, or left unfunded. We cannot be sure of the budget cuts that would be necessary to fund the debt of this proposal in the future.

The plan would use the debt capacity of the state for at least the next eight years. College classrooms, prisons, or mental health hospitals currently funded by bonds could not be built.

Now that there is recognition of funding crisis in transportation, all delegates need to work together in a bipartisan way for a workable solution. Election year ploys and grandstanding will not get the job done.