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## How Should The Infrastructure Stimulus Be Spent?

President-elect Obama has made a hefty economic stimulus the first item on his legislative agenda and signaled that he wants a significant infrastructure component. How should the money for transportation infrastructure be distributed to maximize job creation in the short run while ensuring that the projects deliver the greatest benefit for the public? And who gets to decide which projects move first?

-- Lisa Caruso, *NationalJournal.com*

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### **Betty Knight, R-Mo., Presiding Commissioner of Platte County, Mo., and, President, National Association of Regional Councils**

It is imperative that any economic recovery package contain regionally strategic infrastructure investments that maintain a strong focus on the priorities of local communities, act in partnership with regional planning organizations, and provide transparency in the process. The National Association of Regional Councils (NARC) released a report documenting at minimum \$23 billion in transportation and wastewater infrastructure investment needed on the regional and local level as offered by Metropolitan Planning Organizations (MPOs), regional Councils of Governments (COGs) and Rural Planning Organizations (RPOs) in urban, suburban and rural America. If funded, these projects could immediately begin to create jobs, strengthen communities, stimulate local, regional and national economies and lay the foundation for long-term economic growth.

Our member regions, as studied by NARC, face severe underinvestment as needs outstrip our ability to fund critical infrastructure. Urban and rural America are sitting on billions of dollars of unfunded, dormant infrastructure projects. To date, the regional planning organization of which I am a policy Board Member, the Mid-America Regional Council (MARC), has identified nearly \$400 million worth of ready-to-go, job generating infrastructure improvements that would address congestion, create more pedestrian-friendly communities, and lessen the impact of the recession. In my region, the Kansas City bi-state region straddling the Missouri and Kansas statelines, approximately 4,000 jobs have been lost since the mid-2008 and projections for job loss are currently between 11,000 and 30,000 depending on the length of the recession.

Infrastructure dollars are best utilized on the regional level through consensus building and planning efforts of local governments working collaboratively across multiple jurisdictions to meet the needs of communities, business and local, regional and national economies. Regional planning organizations are today's "boots on the ground" planners and implementers of tomorrow's regional infrastructure. They have identified thousands of priority "ready-to-go" regional projects that would address the most pressing community issues – safety, preservation, and maintenance – and maintain and generate jobs, but have been shelved due funding limitations. These projects have gone through rigorous decision-making processes by way of local elected involvement in their regional planning organizations, are part of fiscally constrained plans and represent a piece of the overall economic vision for the region.

If the federal government wishes to be part of a unified solution tomorrow, federal leadership must be at the table today. A good way to begin reversing this trend is through the passage of a comprehensive economic recovery package.

A strong federal partner, decisive federal leadership and federal investment are needed now to help make safe and secure infrastructure a reality. When the federal government commits a percentage of economic recovery dollars to local governments, action will be taken immediately, focusing on the needs of communities – urban and rural. NARC believes the most effective application of federal transportation infrastructure investment is through the current framework and mechanism guaranteeing that local and regional needs are addressed, the Surface Transportation Program (STP). This proven and successful mechanism must be preserved in any economic recovery legislation. Regional planning is essential to the construction of infrastructure to move people, goods and services across our surface transportation network, continually bolstering our economy, and the STP guarantees the flexibility of transportation funding will be given directly to our local officials and regions. Through STP, upwards of 30 percent of funding would be sent to the 50 states. The remaining 70 percent would go to cities, counties and regions – which accounts for 90 percent of the nation's gross domestic product.

In the case of water and wastewater funding, NARC believes that the economic recovery package should examine issuing grant funding (not subject to a local match) to local governments and regional planning organizations through the Clean Water State Revolving Fund process.

By allocating money to local governments through established and proven processes, local governments will be able to permit contracts, work with public works departments and companies to retain employees and staff-up, and ensure people are put to work on projects communities need to be safe and prosper. The proof is in the job creation numbers – the U.S. Department of Transportation estimates that for every \$1 billion invested in transportation by the federal government, 34,779 jobs are created; the National Utility Contractors Association estimates that for every \$1 billion spent on water infrastructure 57,400 jobs are created; and, the National Resources Defense Councils estimates that a \$100 billion initial investment in clean energy infrastructure will yield two million jobs over two years.

Significant infrastructure attention and funding at all levels of government is required to improve safety, the environment, interconnectivity and commerce and, as such, NARC supports the willingness of our Congressional leaders and the President-Elect to find real solutions to these challenges as a necessary step in defining a commitment to upgrading our infrastructure nationwide. NARC encourages opportunities fostering multi-jurisdictional, regional solutions through an economic recovery effort to improve the economy and forestall severe budget cutbacks and layoffs within local governments.

NARC looks forward to working with Congress, the new Administration and our association partners to determine the best short and long-term strategies to address the convergence of a softening economy, rising unemployment, forecasted population growth, and the clear need for substantial investments in the country's infrastructure network. We welcome a continued dialogue and the building of partnerships across government to ensure that today's opportunity becomes tomorrow's success.