

FEDERAL-AID HIGHWAY FINANCING

HENRY WARD
Commissioner of Highways

Following is the text of a letter written February 27, 1961 to Kentucky members of the Congress by Henry Ward, State Commissioner of Highways:

Considerable public misunderstanding has been created in Kentucky by press reports which indicate that additional funds have been made available by the Federal Government for highway construction purposes in this state. I am sure you are aware of the fact that no extra Federal money has been allocated to Kentucky, either through any action by President Kennedy or by Congress.

The misunderstanding has arisen from a statement made in February by President Kennedy that he had authorized the states to proceed now to advertise highway construction contracts against the fourth quarter allotment of Federal funds. The allotment normally would not have been available until April 1. However, this did not represent any increase in available funds to Kentucky. We knew that the money would be available to us April 1, and we had already made plans to utilize it.

In fact, Kentucky had moved to expedite highway construction long before the President issues his statement. When the voters of the State last November approved a \$90,000,000 bond issue to provide State money to match Federal-aid funds, we decided to speed up the road building program by advancing from bond money funds to pay the full cost of projects available for State-Federal financing, even though we knew that we would have to wait for reimbursement of the Federal share. Because of this decision, we made plans to award contracts for highway work that will total approximately \$30,000,000 more than the total would have been if we had not had the bond money available for this purpose and if we had not elected to "gamble" on the reimbursement of Federal funds.

I am sure that part of the public misunderstanding of this situation arises from the complicated procedures under which the Federal funds are made available for highway construction. As you know, Federal funds are apportioned among the states on a formula based on several factors. The states are notified annually of the amount of this apportionment. However, under the Byrd amendment to the Federal legislation, the states are not guaranteed that they will be reimbursed up to the full amount of the apportionment unless receipts from taxes which go into the Federal Highway Trust Fund equal the amount of the apportionment. For the past several years, the amount which the Bureau of Public Roads has certified as being available each year for reimbursement has been less than the full amount of the apportionment. The difference was held in reserve for the states. Kentucky had "accumulated" approximately \$30,000,000 as the difference between the apportionment and the reimbursable amounts.

I was told last November by the Bureau of Public Roads that Kentucky could go ahead and let contracts against this balance, with the understanding that we would not be reimbursed the Federal share of the project until money was available in the Federal Highway Trust Fund. A decision was made to proceed on this basis in order to expedite road building in Kentucky, and I referred to this above as our "gamble." I am confident that the taxpayers of Kentucky approve what I regard as a sound financing decision.

The net effect of this situation is that we cannot provide for further expediting of the Federal Aid highway program in Kentucky unless additional Federal funds are made available.

In fact, as a result of the 1960 Census which showed that Kentucky did not keep pace with other states in population gains, we actually are receiving less Federal money. As you well know, Kentucky faces the loss of a Congressional seat for the same reason.

Under the formula based on the 1950 Census, Kentucky would have received a total of \$15,632,887 in Federal Funds for 1960-61 for the Primary, Urban, and Federal Secondary programs. The same formula, applied to the 1960 Census figures, will produce only \$14,893,025 for Kentucky for the same programs.

Kentucky matches these Federal funds with State funds, on a 50-50 basis. This means that, for the 1960-61 Fiscal Year, we have a total of \$29,786,050 for Federal Aid Primary, Urban and Secondary highways in our state. These figures, of course, do not include allocations for the Interstate Highway System, since funds for this purpose are restricted to the highways on the limited Interstate System.

With only \$29,786,050 of Federal and State funds available each year, the Kentucky-Federal Primary, Urban and Secondary highways cannot be improved to satisfactory standards within the life-time of most of us. This is the critical problem that addresses itself to all of us who are concerned with this program which is so vital to the economic development of our state and to welfare of our fellow citizens.

The Automotive Safety Foundation study of Kentucky highway needs, which was conducted over a period of two years and completed in 1955, estimated that \$110,000,000 would be required annually in Federal and State funds to bring the Federal Primary, Urban and Secondary highways up to desirable standards within 10 years. Since 1955, we have made some good progress toward the improvement of highways on the Federal Aid System. However, 1,937 miles of highways have been added to the State System since then, and many hundreds of miles need to be added to the Federal Aid System.

Even a conservative estimate would indicate that it would take \$100,000,000 a year for 10 years to bring the Federal Aid System up to standards which would serve the needs of Kentucky.

Under the present financing plan, we will have an estimated \$29,786,050 a year to accomplish this task. At this rate, it would take 34 years to get the job done. By the end of that time, thousands of miles of roads that had been approved at the beginning of the program would have become out-moded and woefully inadequate.

This problem is not confined to what might be classified as the "distressed" or "under-developed" areas of Kentucky. It exists in every area of our state—in every county.

There are 19,091 miles of highways on the Federal Aid System in Kentucky. Of this total, 3,852 are on the Primary System, including Urban extensions, and 15,239 are on the Federal Secondary System. On the basis of the Automotive Safety study and reviews conducted by the Department of Highways since its completion, 9,210.2 miles of the total of 19,089.5 are classified as deficient when compared to the standards to which they should be built.

Kentucky cannot correct these deficiencies within the funds available to the Department of Highways in a period of time that would meet the needs of our state.

I am attaching a table listing the counties of Kentucky, with the mileage of highways on the Federal Aid System in each and the number of miles in each county classified as deficient.

I am not suggesting that we are seeking to transfer this whole problem to Washington. It is one that all of us as Kentuckians need to know about, however, so that we may work together to seek its solution.

FEDERAL AID HIGHWAY SYSTEM IN KENTUCKY
MILEAGE BY TYPE OF SYSTEM

| <i>System</i> | <i>Total Miles</i> | <i>Miles Deficient</i> |
|-------------------------|--------------------|------------------------|
| Federal Primary | 3,585.0 | 1,937.1 |
| Federal Urban | 442.0 | 177.7 |
| Federal Secondary | 15,062.5 | 7,095.4 |

MILEAGE BY COUNTIES

| <i>County</i> | <i>Total Miles</i> | <i>Miles Deficient</i> |
|--------------------|--------------------|------------------------|
| Adair | 169.1 | 108.7 |
| Allen | 164.5 | 71.5 |
| Anderson | 138.0 | 68.8 |
| Ballard | 148.3 | 62.2 |
| Barren | 238.3 | 145.9 |
| Bath | 137.1 | 81.5 |
| Bell | 156.5 | 74.5 |
| Boone | 156.1 | 70.3 |
| Bourbon | 181.5 | 156.8 |
| Boyd | 125.6 | 62.6 |
| Boyle | 118.8 | 57.6 |
| Bracken | 113.3 | 71.9 |
| Breathitt | 191.8 | 50.8 |
| Breckinridge | 226.5 | 61.1 |
| Bullitt | 96.6 | 44.4 |
| Butler | 151.0 | 53.1 |
| Caldwell | 147.7 | 52.7 |
| Calloway | 189.5 | 78.5 |
| Campbell | 132.4 | 72.6 |
| Carlisle | 99.2 | 51.2 |
| Carroll | 111.2 | 85.5 |
| Carter | 173.6 | 130.0 |
| Casey | 165.3 | 158.7 |
| Christian | 301.5 | 126.3 |
| Clark | 159.3 | 90.9 |
| Clay | 175.9 | 97.6 |
| Clinton | 101.5 | 37.4 |
| Crittenden | 152.6 | 67.2 |
| Cumberland | 113.5 | 20.5 |
| Daviess | 234.6 | 113.2 |
| Edmonson | 116.7 | 24.8 |
| Elliott | 79.1 | 40.0 |
| Estill | 103.2 | 68.7 |
| Fayette | 259.8 | 157.9 |
| Fleming | 165.5 | 97.1 |
| Floyd | 236.9 | 151.7 |
| Franklin | 156.4 | 129.8 |
| Fulton | 124.3 | 98.2 |
| Gallatin | 83.7 | 9.8 |
| Garrard | 100.0 | 62.0 |
| Grant | 152.8 | 44.9 |
| Graves | 282.8 | 94.6 |
| Grayson | 212.5 | 95.2 |
| Green | 140.9 | 96.2 |
| Greenup | 154.6 | 99.4 |
| Hancock | 96.8 | 14.4 |

| <i>County</i> | <i>Total Miles</i> | <i>Miles Deficient</i> |
|------------------|--------------------|------------------------|
| Hardin | 272.8 | 106.4 |
| Harlan | 211.3 | 121.9 |
| Harrison | 168.8 | 89.8 |
| Hart | 170.6 | 65.8 |
| Henderson | 218.1 | 106.3 |
| Henry | 161.5 | 38.5 |
| Hickman | 114.2 | 19.0 |
| Hopkins | 251.1 | 87.9 |
| Jackson | 135.4 | 94.6 |
| Jefferson | 374.0 | 181.7 |
| Jessamine | 125.8 | 106.3 |
| Johnson | 157.2 | 76.2 |
| Kenton | 129.9 | 99.0 |
| Knott | 124.0 | 60.8 |
| Knox | 152.4 | 78.6 |
| Larue | 136.4 | 35.2 |
| Laurel | 183.2 | 57.3 |
| Lawrence | 169.0 | 109.5 |
| Lee | 83.5 | 41.1 |
| Leslie | 105.4 | 73.9 |
| Letcher | 188.5 | 108.2 |
| Lewis | 162.2 | 60.9 |
| Lincoln | 174.9 | 82.2 |
| Livingston | 130.2 | 28.4 |
| Logan | 260.3 | 130.2 |
| Lyon | 82.7 | 23.4 |
| McCracken | 170.2 | 102.2 |
| McCreary | 127.0 | 86.9 |
| McLean | 117.2 | 23.5 |
| Madison | 229.6 | 154.0 |
| Magoffin | 124.6 | 9.2 |
| Marion | 154.5 | 100.0 |
| Marshall | 191.3 | 145.0 |
| Martin | 99.7 | 48.5 |
| Mason | 149.9 | 103.5 |
| Meade | 131.5 | 44.8 |
| Menifee | 86.9 | 62.1 |
| Mercer | 169.8 | 90.2 |
| Metcalfe | 134.4 | 43.7 |
| Monroe | 142.2 | 57.9 |
| Montgomery | 124.2 | 63.3 |
| Morgan | 149.8 | 65.7 |
| Muhlenberg | 232.5 | 101.1 |
| Nelson | 240.4 | 134.8 |
| Nicholas | 112.0 | 13.4 |
| Ohio | 215.2 | 45.7 |
| Oldham | 114.6 | 35.0 |
| Owen | 162.2 | 78.4 |
| Owsley | 72.7 | 40.9 |
| Pendleton | 162.9 | 105.3 |
| Perry | 185.2 | 93.3 |
| Pike | 338.4 | 205.1 |
| Powell | 81.1 | 59.6 |
| Pulaski | 267.6 | 167.1 |
| Robertson | 64.9 | 36.2 |
| Rockcastle | 127.4 | 65.1 |

| <i>County</i> | <i>Total Miles</i> | <i>Miles Deficient</i> |
|------------------|--------------------|------------------------|
| Rowan | 123.8 | 51.0 |
| Russell | 108.1 | 39.7 |
| Scott | 169.0 | 97.4 |
| Shelby | 206.1 | 74.4 |
| Simpson | 135.1 | 16.2 |
| Spencer | 91.2 | 64.0 |
| Taylor | 143.5 | 58.4 |
| Todd | 175.8 | 34.7 |
| Trigg | 138.2 | 54.3 |
| Trimble | 93.4 | 30.7 |
| Union | 171.2 | 36.1 |
| Warren | 283.6 | 105.2 |
| Washington | 157.3 | 84.6 |
| Wayne | 139.5 | 65.2 |
| Webster | 182.9 | 12.6 |
| Whitley | 183.0 | 115.7 |
| Wolfe | 101.8 | 66.9 |
| Woodford | 120.9 | 29.8 |
| TOTALS | 19,089.5 | 9,210.2 |