SCDOT Plan for Gas-Tax-Hike Money Focused onInterstates

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By Rick Brundrett - The Nerve

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The state transportation department plans to spend well more than a third of gas-tax-hike revenues on widening and repaving interstates instead of using those funds to repair crumbling community roads and bridges – as promised by lawmakers – according to an agency document obtained by The Nerve.

In a PowerPoint presentation to the South Carolina Asphalt Pavement Association at the trade association's conference in Columbia in January 2018 – nearly seven months after the gas-tax-hike law took effect – the S.C. Department of Transportation projected that:

- A total of $800 million will be spent statewide by 2027, about $600 million of which to be generated under the gas-tax-hike law. The law, which took effect July 1, 2017, raised the gas tax 12 cents per gallon over six years, and increased other vehicle taxes and fees.
- Of the $800 million, $276 million, or 34.5 percent, will be spent for interstate widenings.
- Just over half of the $800 million would be for resurfacing, though much of that money will be spent on interstates. The agency estimates that by 2026, 92 percent of interstates will be in "good" condition with resurfacing, up from 65 percent in 2016. In contrast, 53 percent of "major" roads, 40 percent of "farm-to-market" roads and 25 percent of "neighborhood streets" are predicted to be in "good" condition by the end of the period.

"Progress made to reverse the 30 years of neglect," one presentation slide reads.

Over the past year, The Nerve has reported that relatively little has been spent from the hundreds of millions generated under the gas-tax-hike law. As of Dec. 31, of the nearly $505.7 million collected since the law took effect, about $63.7 million, or less than 13 percent of the total, was spent on "external" projects identified by DOT, online agency records show.

The Nerve last week also revealed that in the first 18 months of the law, about $15 million, or nearly a quarter, of the total $61.4 million paid to road contractors went for "preservation" projects – not major repairs – and that only $1.3 million was spent on road reconstruction.

Lawmakers promised that the gas-tax-hike revenues would be used to fix the state's deteriorating road and bridges in their constituents' communities. DOT has said 80 percent of the state's 42,000 miles of roads needs to be resurfaced or rebuilt, and identified 465 of 750 "structurally deficient" bridges to be replaced.

The South Carolina Policy Council, the parent organization of The Nerve, contends the gas-tax-hike law was written in a way to allow DOT to divert revenues to pay bond debts of the legislatively controlled State Transportation Infrastructure Bank (STIB), which funneled several billion dollars over the years for large construction projects in select counties.

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Neither DOT director Christy Hall nor Ashley Batson, the Asphalt Pavement Association's executive director, responded to written messages this week from The Nerve seeking comment about DOT's presentation at the association's conference a year ago.

On its website, the nonprofit association – founded in 1966 and called SCAPA for short – said it represents "asphalt pavement producers in South Carolina," as well as industry suppliers, engineering firms and equipment dealers, among other groups. The Columbia-based organization on its site says it works "closely" with DOT and federal agencies to "ensure we put the best product on the roads for the citizens of South Carolina."

Hall in June told The Nerve that the gas-tax-hike revenues could be used by the STIB for earlier-approved interstate-widening projects, though the earlier DOT presentation to SCAPA details how that money would be spent. The Nerve last month reported that a bill introduced by state Sen. Nikki Setzler, D-Lexington, would divert part of a main revenue source under the gas-tax-hike law to widening interstates.

Following is the 10-year spending breakdown of the $800 million identified in DOT's presentation to SCAPA, according to a chart titled, "The Plan," with percentages of the total in parentheses:

- Resurfacing: $407 million (50.9 percent)
- Interstate widenings: $161 million (20.1 percent)
- Additional widenings after tax credit under the credit expires: $115 million (14.4 percent)
- Bridges: $67 million (8.4 percent)
- Rural road safety program: $50 million (6.2 percent)

In October, the DOT Commission approved a new rural interstate-widening program that agency records show would be partly funded with revenues that would be freed up by 2024 after a gas tax credit expires.

The Nerve revealed then, however, citing projections from the state Revenue and Fiscal Affairs Office, that DOT might have to transfer at least $300 million to cover expected shortfalls in a state account that will be used to fund the credits until they expire.

In its presentation to SCAPA, DOT projected that over a 10-year period statewide:

- Resurfacing would be "doubled," though specific roads weren't identified;
- 140 miles of interstates would be improved, including the I-26/I-20 interchange in the Columbia area and the I-526/I-26 interchange in the Charleston area. It also includes widening I-20 at the Georgia line and I-85 from Greenville to the North Carolina line;
- 465 bridges would be replaced, including 181 in the Midlands, 132 in the Upstate, 98 in the Pee Dee and 54 in the Lowcountry; and
- 1,000 miles of "safety features" would be added to rural roads, though specifics weren't given. DOT on its website has defined safety improvements to include such things as

widening shoulders and adding guardrails.

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