New Hampshire
Smart Transportation: Save Money and Grow the Economy
Keep New Hampshire Moving in the Right Direction

Save Money by Taking Care of What You Have

1. Dedicate a higher percentage of transportation funding to maintaining and repairing existing roads and bridges.

Grow the Economy by Making Your Investments More Strategic

2. Fund the biggest job creator: public transportation.

3. Spark innovation and cost-savings through a competitive transportation solutions program that focuses on increasing mobility options for citizens.

4. Revisit near-term spending decisions and long-term project selection to improve transportation outcomes, add jobs, and grow New Hampshire’s economy.
Smart Transportation:
Save Money and Grow the New Hampshire Economy

Like the rest of the country, New Hampshire’s state budget and economy face significant challenges. For transportation and its myriad related issues, these challenges create an opportunity to revisit existing programs and ask if the state is really getting everything it can from them.

Right now, voters across the country do not think the current approach is working. Polling nationwide shows people are dissatisfied with the economy and believe the nation is on the wrong track. People do not trust their state with their money. Only 10% of voters think the government spends money wisely while 86% think their state does a fair or poor job.

Moving forward, Americans do think there is a better way. In a recent nationwide survey by Hart Research Associates, 68% of those polled believe “now is the time for [their] state government to be investing in transportation because if done right these investments will create new jobs and attract new businesses.” Voters are clear about their hopes, and Smart Growth America has developed realistic, practical solutions to help make that vision a reality.

In the following pages we outline an innovative, yet common-sense approach to transportation spending in New Hampshire that we believe will cut costs, create jobs and attract businesses. Implementing these recommendations will demonstrate that the state is responding to the fiscal and economic crisis with strong leadership.

The Need:
If it continues on its current path, New Hampshire’s transportation system is on track to become highly expensive, uncompetitive, and unsafe. New Hampshire has invested heavily in transportation, but declining revenues and escalating debt service will reduce the state’s ability to maintain its facilities in a state of good repair.

Carrying on business as usual will result in a deteriorated road network, inadequate transit network, and a six- to ten-fold increase in repair costs resulting from neglect and deferred maintenance.

The Smart Solution:
New Hampshire is at a crossroads. There is a sizable gap between revenue and the large wish list of projects which include not only maintenance of the existing road and bridges infrastructure, but programs that reduce vehicle miles traveled (VMT) and enable those who do not drive to shop, receive medical care, and stay connected with family, friends and community.

New Hampshire can close this gap by getting a higher return on its transportation investments. By making different choices about the state’s transportation priorities, New Hampshire can not only save money and create jobs, but it can also create a more welcoming business climate on the mid- and long-term horizons.
1. Dedicate a higher percentage of transportation funding to maintaining and repairing existing roads and bridges

**Spending more on repair and maintenance is a good investment: it saves the state money, saves citizens money, is a superior job creator, and is very popular among voters.** According to the American Association of State Highway and Transportation Officials (AASHTO), every $1 spent to keep a road in good condition avoids $6-14 needed later to rebuild the same road once it has deteriorated. In addition, poor roads add an average of $335 nationally to the annual cost of owning a car due to damaged tires and suspensions, and reduced fuel efficiency.

While New Hampshire has invested heavily in repair and maintenance in recent years, insufficient investment over the long-term has led to a backlog of roads and bridges in “poor” and “deficient” condition requiring $27 million annually in major rehabilitation costs over the next twenty years.

**Funding, to the extent possible, the annual maintenance need to keep New Hampshire’s road and bridge system in a state of good repair - currently $271 million - is the most fiscally responsible transportation investment the state can make.**

New Hampshire should strive to fully fund the annual repair need or as much of it as possible based on near-term highway revenue forecasts. The investment in maintaining and improving road and bridge conditions would save taxpayers hundreds of millions of dollars – and also pay off in job creation. Numerous studies across the country find that maintenance and repair creates even more jobs than building new roads.

Without increased commitment to system maintenance and repair, the state ensures a network of declining quality – with attendant safety problems, additional cost to New Hampshire families for car repairs, and a loss of economic competitiveness as businesses target states with better freight access.

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**Repair Costs for Road and Bridge Network**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (2009 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHDOT major roads (lane miles)</td>
<td>$1,111 million</td>
</tr>
<tr>
<td>Lane miles in “poor” condition</td>
<td>$271 million</td>
</tr>
<tr>
<td>“Structurally deficient” bridges (16%)</td>
<td>$346 million</td>
</tr>
<tr>
<td>Annual preventative maintenance needs for road/bridge network</td>
<td>$271 million</td>
</tr>
<tr>
<td>Annual major rehabilitation needs for “poor” and “deficient” roads/bridges</td>
<td>$27 million</td>
</tr>
<tr>
<td><strong>Total annual road/bridge repair need</strong></td>
<td>$298 million</td>
</tr>
</tbody>
</table>

**Past NHDOT annual investment in repair (2004-2008)**

<table>
<thead>
<tr>
<th>Cost (2009 dollars)</th>
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<tbody>
<tr>
<td>$111 million</td>
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</tbody>
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2. As calculated by Smart Growth America based on data available from FHWA. “Poor” and “deficient” road/bridge rehabilitation costs were annualized over 20 years.

3. NHDOT’s road/bridge repair spending increased in 2009 and 2010 due to the American Recovery and Reinvestment Act (ARRA).

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$1 billion spent on fixing existing highways creates 16% more person-years of construction jobs than new road construction.

51% of voters believe fixing roads and bridges should be the top priority for the state (33% chose expanding transit and other choices, 16% chose expanding roads).

Most voters – 59% – believe that the government has a duty to make sure that roads and bridges are safe and reliable.
2. Fund the biggest job creator: public transportation

Smart Growth America has found that investments in public transportation create almost twice the jobs that highways do nationally, help others get to their jobs, and attract private sector investment, creating still more jobs. We recommend that New Hampshire invest strategically in public transportation statewide.

Specifically, the state should shift resources to support public transportation service. To address budget shortfalls, transit agencies across nationwide have proposed both fare increases and service cuts that disproportionately impact lower-income households. From 2004 to 2008, the state of New Hampshire contributed only 3% of annual transit budget needs statewide, leaving the responsibility largely to local and federal governments. It ranked 36th in the nation for supporting transit. By not contributing more toward transit, New Hampshire is missing a critical opportunity to create jobs and boost regional and state economies.

Every $1 billion of ARRA dollars invested in new public transportation projects produced 16,419 job-months, compared to 8,781 job-months produced by highway infrastructure projects.

Using state resources to bridge transit budget shortfalls would enable low-income workers to get to their jobs and prevent the potential layoff of transit workers. It would also increase critical access in rural communities and support key economic centers of the state, where commuters, senior citizens, and those with limited transportation alternatives rely on transit for daily needs. In addition to channeling state funds to keep transit moving, the flexible funding provision in the national transportation act allows states to transfer federal Surface Transportation Program (STP) funds toward public transportation needs. New Hampshire should develop a plan to build support for transit over the next four years in order to feed the state’s economy.

Transit investment is not just the purview of large metropolitan communities. For example, in Colorado the state DOT and its local partners in Garfield, Eagle, and Pitkin counties have made significant multimodal investments along Interstate 70 and State Highway 82 in the Roaring Fork and Colorado River valleys. CDOT is an active partner in the VelociRFTA bus rapid transit project, a $50 million project under the Federal Transit Administration’s “Very Small Starts” program. The project will support almost 100 construction jobs and link low-income workers to employment centers on the Western Slope.

Public transportation is popular with voters

**November 2010 National Poll by Hart Research Associates:**

73% of those polled rated “the number of jobs created in the long term that would remain in [my] community” as the most important factor in developing the state transportation plan.

61% regardless of party affiliation (and 57% of Independents) said they would feel more positively about a governor who favors a plan that “provides more choices such as buses, carpools, light rail, van service, and commuter rail.”

64% said “buses, carpools, light rail, van service, and commuter rail were a good or very good value for the cost.”

**March 2010 National Poll by Public Opinion Strategies and Fairbank, Maslin, Maullin, Metz & Associates:**

66% of respondents agreed they would like more transportation options available to them.

69% agreed their community would benefit from an expanded and improved public transportation system.
3. Spark innovation and cost-savings through a competitive transportation solutions program that focuses on increased mobility options for citizens

There are many ways to solve transportation problems. While leaders often fall into the old standby of building large pieces of infrastructure, there are under-used alternatives to consider.

**Leverage state funds to spur local innovations.**
A state program similar to the federal TIGER (Transportation Investment Generating Economic Recovery) grant program would enable New Hampshire communities to put their best ideas forward. From the funding the state has available for new capacity, the state could set aside a portion of its federal and state revenues for places that want to pursue innovative least cost solutions to transportation problems. The widest range of projects across transportation modes should be eligible and judged against criteria such as job creation, private sector investment, and others emphasizing return on investment.

**Additional strategies to utilize:**
- **Pricing**—corridor pricing, parking cash-out, pay-as-you-drive insurance, and parking pricing
- **Demand management**—telecommuting, alternate work schedule, employee commute programs, and car- and bike-sharing
- **Coordinated land use investment**—bringing grocery stores to underserved areas, and transit-oriented development
- **Biking and walking networks**—connections that provide simple, low cost solutions for many of the short trips people take every day
- **System management**—ramp metering, improved stoplight timing, better incident management, and improved local road network connections

Among transportation professionals it is widely acknowledged that these techniques are quite often cheaper and more effective than either a road or a transit solution; but most governments underutilize these low-cost strategies.

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**Smart Example: Oregon Flexible Funds Program**

As an outcome of the 2009 Legislative Session, the Oregon Department of Transportation (ODOT) was asked to increase its investment in Non-Highway Transportation. In June 2010, the Oregon Transportation Commission (OTC) directed staff to develop a Flexible Funds Program and form an Advisory Committee to help develop criteria for the new program. The Purpose Statement, Vision and Criteria included in the Flexible Funds Program Application Instructions were developed with the assistance of the Advisory Committee and approved by the OTC in August 2010.

**What is the focus of the new program?**
The intent is to fund sustainable, non-highway transportation projects, programs, and services that positively impact modal connectivity, the environment, mobility and access, livability, energy use, and the overall operation of the transportation system.

Projects likely to be funded include transit; bicycle and pedestrian infrastructure; transportation demand management; and the planning, research, and project development that supports those projects as well as related programs and services. Projects should further support development of a multimodal transportation system that is interconnected, safe, seamless, and increasingly looks to non-highway solutions that are:
- Interconnected/multifaceted
- Environmentally Sensitive
- Sustainable
- Fostering livability as well as providing Oregonians with better access and more transportation choices
4. Revisit near-term spending decisions and long-term project selection to improve transportation outcomes, add jobs, and grow New Hampshire’s economy

New Hampshire’s economy and transportation revenue situation demands that investment decisions made prior to the recession get revisited. The NHDOT 2011-2020 Ten-Year Plan is based on revenue forecasts of approximately $539 million annually; however, the state of the economy and the uncertainty regarding federal transportation funding suggest that this forecast may be optimistic. Many projects in existing plans have spent years in the development “pipeline” and their original purpose has either been forgotten, no longer applies, or does not meet today’s need for higher return on investment. Revisiting these spending decisions will show New Hampshirites that the state’s leadership is responding immediately to current economic and fiscal realities.

Operationally, this means NHDOT should update its Long Range Transportation Plan and its five-year capital improvement program. Re-evaluating near-term decisions to move those of highest value to the front can serve as the poster-child for a broader initiative to bring greater transparency, performance, and accountability to the project selection process.

Nationally, voters want more accountability from the government and want it to make better use of the money it has. They are skeptical of the state’s ability to use their money well. Redesigning the project selection process so that projects are selected on the basis of clear and transparent criteria would help to address this credibility gap. It would also show that leaders are willing to break with past practices to get better returns on the money the government does have. Criteria could include the project’s potential to:

- Boost near- and long-term regional and state economic output
- Increase mobility, access, and transportation choices
- Be cost-effective (i.e. provide high returns on the initial capital and subsequent maintenance burdens required by the project)

With these transportation approaches, the leaders of New Hampshire can demonstrate to voters the ability to be fiscally responsible while growing the economy.

In 2008, McKinsey and Company evaluated potential transportation investments in Metro Atlanta, finding:

- $220 million invested in demand management would create $40 billion in incremental benefits.
- Better coordination with development (deemed to be virtually cost free) would create $39 billion in incremental benefits.
- $26 billion in road investments would create $40 billion in incremental benefits.

“It is of particular importance in these times of severe fiscal constraint that we invest scarce public resources more wisely and efficiently, in order to maximize the reach and impact of what we spend... Otherwise we will continue to get the same results: deteriorating infrastructure marked by unacceptable compromises to safety as well as worsening performance, especially growing congestion.”

— Bipartisan Policy Center’s National Transportation Policy Project and the National Surface Transportation Infrastructure Financing Commission
Smart Growth America advocates for people who want to live and work in great neighborhoods. We believe smart growth solutions support thriving businesses and jobs, provide more options for how people get around and make it more affordable to live near work and the grocery store. Our coalition works with communities to fight sprawl and save money. We are making America’s neighborhoods great together.

Smart Growth America is the only national organization dedicated to researching, advocating for, and leading coalitions to bring smart growth practices to more communities nationwide. Visit us online at www.smartgrowthamerica.org.

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Sources:
Public opinion polling: Smart Growth America Nationwide Survey: Strategic findings from survey among 1,000 voters nationwide conducted November 16 – 22, 2010 by Hart Research Associates.


Methodology Memo - Determining Road and Bridge System Preservation Costs – Smart Growth America, December 2010.

