That’s how much it would cost to bring all of Indiana’s rural roads up to an acceptable level and to repair or replace all of Indiana’s functionally obsolete or structurally-deficient bridges.

This number is nearly triple the state’s financial reserves. It’s quadruple the amount of new money legislators injected into the road funding formulas during the General Assembly’s 2016 session. It’s an enormous amount of money, yet it is for a state that rightly calls itself the Crossroads of America.

The research team developed estimates for county road and bridge rehabilitation needs, spending, and the funding gap for 20 years. Estimates are based on data for 16 study counties that are extrapolated to the state level.

A long-term, sustainable approach to repairs, replacements, and required maintenance of Indiana infrastructure is a must.
Funding this $6.4 billion need will be a challenge for Indiana. Three scenarios — indexing to inflation, indexing to inflation and the fuel economy, and vehicle miles traveled (VMT) — were presented by the research team as new taxation options.

Indexing fuel taxes to inflation results in a decrease in the tax revenue by 12.4 percent. Indexing using only inflation is inadequate to maintain funding because fuel efficiency outpaces inflation. For example, current gasoline tax was set in 2003 and diesel and interstate trucking fuel taxes haven’t been increased since 1988. Indexing fuel taxes to inflation and fuel economy would increase the fuel tax revenue by 30.1 percent by 2035. Switching to a mileage fee using VMT increases revenue by 22.9 percent by 2035.

Indexing to inflation alone is not a sustainable tool to establish funding needed to UpKeep and UpGrade Indiana’s rural infrastructure.

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