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Panel OKs \$800M in local roads stimulus

Bill taps Major Moves fund, directs work to Hoosiers

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Counties, cities and towns would get an infusion of \$800 million for local roads projects under a state stimulus package that passed a key House committee late Monday.

Democrats called the bill a vote for Indiana jobs; it is laden with language to ensure that most of the money is spent hiring Indiana residents.

Republicans argued that it merely shifts money from the leasing of the Indiana Toll Road away from already-planned state projects to local projects.

House Bill 1656 passed on a party-line 15-8 vote in the House Ways and Means Committee. Under the legislation, counties would get \$400 million and cities and towns \$400 million to be spent on local road projects that must be ready to begin by July 2011. The bill now heads to the full House for further amendment and debate.

Central to the dispute between Democrats and Republicans is the much-awaited federal stimulus package, which could send \$5 billion to Indiana, including an estimated \$750 million for infrastructure projects alone.

Rep. Terri J. Austin, the Anderson Democrat who authored the package, which she admitted is "a work in progress," said the state can use that money to replace funds shifted to local government.

The point, she said, is to get state money as quickly as possible into the hands of local governments - with strings attached to force them to spend it on companies whose work forces are at least 80 percent Indiana residents. Any money not spent in two years would revert to the Major Moves fund, created by the Toll Road lease.

Karl Browning, commissioner of the Indiana Department of Transportation, argued that would put some state projects at risk. He handed lawmakers a list of 21 projects for which funding could be endangered, including completion of the revamping of I-465 from Ind. 67 to 56th Street on Indianapolis' Westside.

Democrats, though, were skeptical. They argued that using currently unappropriated dollars in the Major Moves trust fund would spur much-needed jobs during an economic downturn and address local infrastructure needs.

Under the bill, the state could pay 15 percent more -- and even 25 percent more in some cases -- on a contract to ensure that the money goes to an in-state firm and to Hoosier workers rather than a lower bidder from out of state.

Rep. Jeff Espich, R-Uniondale, said all lawmakers want to see Hoosier jobs but said paying more is simply wasting tax dollars. He and other Republicans argued that federal rules might bar such Indiana-centric restrictions and that they could hurt Hoosier companies trying to get work in other states.

But Rep. Scott Pelath, D-Michigan City, said Indiana "has the power within our own borders about how we use our resources."