



INDIANA'S SIGNIFICANT IMPROVEMENTS IN ROAD CONDITIONS DUE TO RECENT LAWS

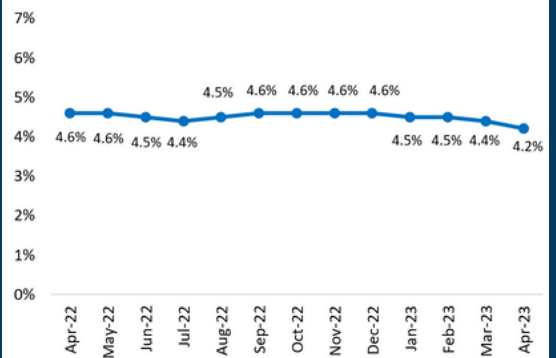
A [new study](#) by the Midwest Economic Policy Institute (MEPI), an associated organization of ILEPI, finds that recent Indiana laws improved transportation infrastructure funding for local governments by increasing vehicle registration fees and motor fuel taxes. The recent laws led to \$1.2 billion in annual funding, improving the conditions of roads and bridges across the state.

The percent of Indiana's road miles in "good" condition doubled from 2017 to 2021. The report finds that the 54 counties that raised wheel and excise taxes were more likely to reduce the number of roads rated in "poor" condition than those without these local taxes. And, due to reforms in the state's Community Crossings Matching Grant Program – which reduced the matching funds requirement for communities from 50% to 25% – 485 different municipalities and every county in the state had been able to receive matching grant awards up to \$1 million for transportation projects over the past 7 years.

"In terms of the reliability of funding for transportation projects and improved road and bridge conditions, it is clear that Indiana is getting what it paid for," said MEPI Transportation Director Mary Tyler. "During a time when many states were struggling with decades of maintenance backlogs and insufficient revenues, Indiana took proactive steps to create a sustainable transportation financing system and the data shows that it is already generating a solid return on investment."

ILLINOIS ECONOMIC INDICATORS

Illinois Unemployment Rate, Past 12 Months



Jobs added (rank), Apr-22 to Apr-23 = **+131,800 jobs (6)**

State unemployment rate (rank), Apr-23 = **4.2% (46)**

Average private sector wage (rank), Apr-23 = **\$33.41 (15)**

Private sector wage growth from Apr-22 to Apr-23 (rank) = **+2.1% (46)**

Illinois Flash Index (as of Apr-23) = **102.9**

SHIFT TO EVS MAY CAUSE FUNDING ISSUES

Transportation is undergoing a fundamental shift. Electric vehicles are becoming increasingly popular. There is no doubt that by reducing emissions and dependency on oil, this transition offers real benefits to individuals, businesses, and communities. Less widely discussed, however, is the threat this poses to transportation funding both in Illinois and at the federal level.

The shift to EVs will steadily erode the most significant revenue stream for road maintenance and other vital transportation infrastructure projects. This is because funding for these projects is directly tied to the purchase of motor fuels, upon which EVs do not rely.

According to a recent report by ILEPI, the price of reaching 1 million EVs in Illinois by 2030 could result in the loss of \$1.1 billion in transportation funding. When combined with expected improvements in fuel economy for gasoline-powered vehicles, the impact on Illinois transportation revenues rises to \$4.3 billion.

If policymakers are proactive, they can create a sustainable financing model that can ensure we will have safe, reliable and well-maintained transportation networks for generations to come.



REBUILD ILLINOIS HAS BEEN A SUCCESS - BUT MORE CAN BE DONE

June marks the 4th anniversary of the historic, bipartisan [Rebuild Illinois](#) law. This multibillion-dollar infrastructure improvement plan addressed years of neglect on everything from roads and bridges to schools and broadband internet. So far, the law has been a great success, generating \$2 billion in additional transportation funding annually.

To maximize Illinois' success and realize the full potential of billions of dollars in forthcoming investments, now is the time to double down on strategies that promote value for taxpayers, job quality for the economy, and workforce stability for one of the fastest growing and most vital industries in the state.

ORGANIZATION NEWS

Meet our new Executive Director, **Josh Weger!**

Prior to joining ILEPI, Josh Weger spent 8 years as Policy Director with the Ill FFC. Prior to that, he spent 4 years as Deputy Director of the Illinois Capital Development Board and 8 years with the Illinois Department of Commerce & Economic Opportunity, where he held several positions including Managing Director of the Office of Policy Development, Planning & Research. He has a master's degree in Political Science and bachelor's degree in Economics, both from the University of Illinois Springfield.



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