

# INFRASTRUCTURE ISSUES AND SPENDING PRACTICES

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*This paper examines patterns of infrastructure investment in Illinois municipalities since the end of the Great Recession. By evaluating the status of infrastructure in 52 municipalities using expenditure information from a 2018 survey of mayors, it summarizes the strategies being used and the degree to which municipalities are responding to fiscal stress by diverting resources from current services to offset capital needs. The results show that the overall condition of streets has deteriorated, whereas bridge structures are faring better. Water and sewer rates generally remain sufficient to sustain service, though some facilities need upgrades.*

The condition and financing of public infrastructure continue to be serious concerns in municipal finance discussions. These topics were recently the subject of national discussion about ways to foster economic development, create employment, and provide better services during the post-recession period. The result was a call for a \$100 billion federal initiative to help state and local governments modernize infrastructure (U.S. Department of Transportation, 2018).

The need for an infrastructure program was supported by a 2017 Infrastructure Report Card issued by the American Society of Civil Engineers (ASCE) that gave infrastructure conditions in the United States a D+. Illinois earned an average grade of C-, well below the desired status (ASCE, 2018). Illinois' grade was unchanged from 2013 but slightly improved from 2010. The improvement reflects progress made with several programs, such as the Chicago Region Environmental and Transportation Efficiency Program (CREATE), designed to improve infrastructure facilities to meet economic development needs.

The 2018 ASCE report ranked infrastructure in Illinois from a high of C+ for bridges and dams to a D- for roads and navigable waterways. Economic activity in Illinois varies widely, placing significantly different demands on roads, bridges, wastewater treatment facilities, and other facilities. Thus, having only one grade for facilities maintained by the state, counties, municipalities, and

townships (road districts) is not very informative about the status, demands, or needs to upgrade various infrastructure types.

The Illinois Department of Transportation (IDOT) maintains a road and bridge inventory with detailed information for specific governmental units, based on regular inspections by registered engineers using consistent evaluation standards (Federal Highway Administration, 2018; Illinois Department of Transportation, 2018). These ratings are useful in comparing facilities by type of government and over time. Highway ratings are updated biennially, with 2017 being the most recent information. Bridge ratings are updated annually and are also available for 2017.

Infrastructure conditions are important in managing public resources for several reasons. First, high-quality roads, bridges, and water-sewer systems are vital to quality of life (Talmage & Frederick, 2019). In turn, quality of life affects decisions about where people live, as well as population and business trends. Places with poor or outdated infrastructure might have more difficulties curtailing out-migration and attracting in-migration.

Second, the condition of infrastructure affects industrial and business location decisions (Eberts, 1990; Li & Whitaker, 2018). Poorly maintained or inadequate infrastructure can limit local economic development, which in turn limits the ability to attract future residents. Local Internet service is growing in importance in infrastructure planning, especially in rural areas lagging behind metro areas in coverage (Federal Communications Commission, 2018).

Third, expenditures for capital items constitute a major portion of annual municipal budgets. According to Fiscal Year (FY) 2016 Illinois Office of the Comptroller data, 9.2% of reported expenditures in mid-size municipalities (10,000-50,000 residents) were classified as capital. In 43 mid-size municipalities, capital expenditures represented more than 15% of total spending.

During periods of economic stagnation or slow growth, local officials sometimes must choose between spending limited resources on current operations or on capital improvements needed to support future needs. In the post-recession period, relatively high unemployment, business closings, and population out-migration slowed natural revenue growth. In some instances, revenues declined or there were slow increases in property taxes and sales taxes. While annual budgets usually involve balancing the needs for current services and capital improvements for the future, the 2009 recession and prolonged slow

recovery posed serious challenges for many municipal leaders, causing some to delay needed capital projects.

Although postponing capital improvements and construction might help finances for a year or two, this strategy results in low infrastructure conditions and higher costs in the future. Likewise, poor infrastructure facilities can raise short-term issues if they discourage business investment and reduce both employment opportunities and quality of life.

Complicating the budgeting situation for local governments is the slow pace of the economic recovery in Illinois and its tight fiscal situation, which has reduced state aid in constant dollars to municipalities (Walzer & Blanke, 2018a). Since 2008, employment in the highest paying industries has declined the most, which has reduced the number of jobs in construction (12.4%), financial activities (-.1%), and information technology (-18.2%). (Commission on Government Forecasting and Accountability, 2019). Subsectors with the most growth, including education and health services (16.2%) and leisure and hospitality (16.1%), are relatively low paying. In the past year or so, there have been signs of improvements, but the scale of these improvements could be hampered by a slowdown in the national economy.

Both state and local governments also had to deal with rising pension costs and lack of a state budget for several years. Thus, a combination of sluggish local revenues and declines in state aid placed significant pressures on local officials to maintain current services that were rising in cost due to pension obligations. Fortunately, inflation was not a serious issue during this period, which helped stem cost increases, although road and bridge construction materials in some cases had substantial price increases (Walzer & Blanke, 2018a).

This article reports the findings from a 2018 survey of Illinois mayors conducted jointly by the Illinois Municipal League (IML) and the Northern Illinois University (NIU) Center for Governmental Studies (CGS) to assess fiscal conditions and responses following the recession (Walzer & Blanke, 2018b). Nearly 100 Illinois mayors provided usable information. Many Illinois municipalities have largely recovered from the recession, even though some still do not expect to reach pre-recession employment levels anytime soon. Some had to adjust budgets and planned expenditures because of changing populations and revenues, with implications for future finances and possibly levels of service.

The analysis focuses primarily on the status of infrastructure in 52 Illinois municipalities that provided detailed expenditure information, summaries of the strategies they have used in response to tight fiscal conditions, and assessments of whether the fiscal stress has diverted resources from infrastructure to current services. Although the conclusions drawn may not reflect the experiences of all Illinois municipalities during the post-recession period, they reflect the experiences of a solid and diverse sample of municipalities. Innovative financing approaches are described, along with approaches used in other states to address infrastructure needs. The aim is to help state and local policymakers better understand what happened to infrastructure in recent years.

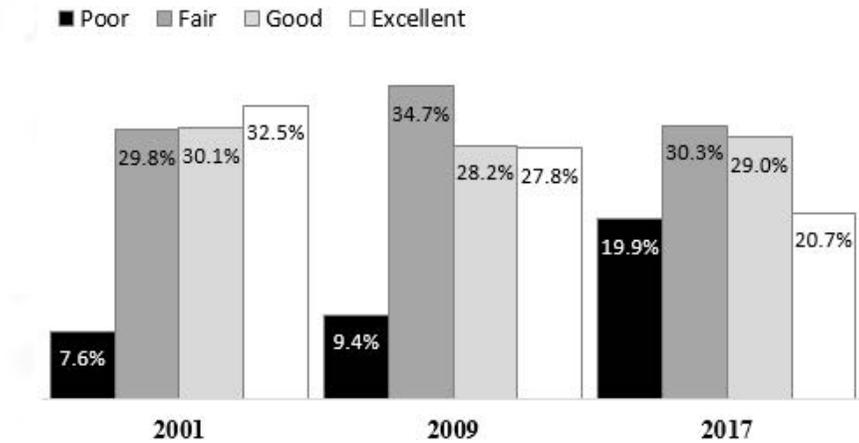
## **STATUS OF MUNICIPAL INFRASTRUCTURE**

Three main types of municipal infrastructure are discussed in this article, including streets, bridges, and water-wastewater systems. Internet access is becoming more important but is managed by private companies or utilities working with municipalities, and sufficient comparable detail is unavailable at this time to make systematic comparisons.

### **CONDITIONS OF STREETS**

IDOT keeps an inventory with ratings of highways maintained by municipalities. Local engineers use a 10-point system, ranging from “closed, awaiting repairs” (0) to “new or perfect condition” (9) for street miles. For convenience in presentation, the rating system was condensed to four categories: excellent, good, fair, and poor (Figure 1), based on mileage maintained statewide. Streets rated 0 to 4.5 are classified as “poor”; those rated 4.6 to 6.0 are considered “fair”; scores ranging from 6.1 to 7.5 indicate “good” condition; and scores of 7.6 to 9.0 are considered “excellent” (see Appendix for more detailed code descriptions).

Approximately one in five miles of streets (20.7%) was rated as excellent, with about the same amount (19.9%) rated as poor in 2017. The share of mileage in poor condition has more than doubled since 2001, although nearly all of this mileage is maintained by counties, townships, or the state, and not by municipalities.

**FIGURE 1****CONDITION OF ILLINOIS STREET MILEAGE**

Source: Illinois Department of Transportation, FY 2017 Condition Rating Survey Summary Report.

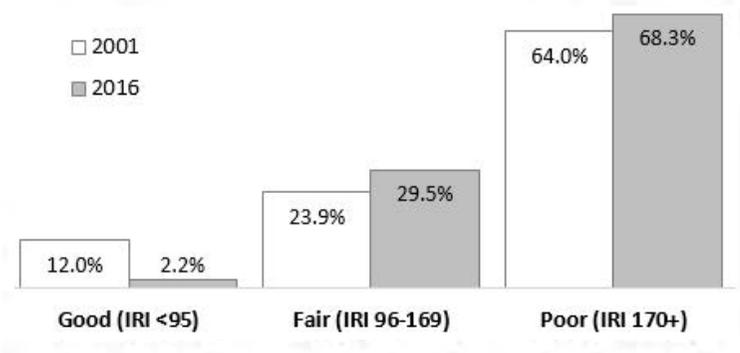
A review of condition status must also recognize other important factors, such as suitability or appropriateness for future traffic or development needs. Planned business or housing developments can make roads or bridges obsolete, but including these factors in a rating system is difficult. Also, better Internet access can affect local businesses and employment patterns, thereby placing more demands on the current street system. These changes should be considered in evaluating a street system.

A second measure of street conditions is the International Roughness Index (IRI), based on ride smoothness and measured by specialized elevation-sensing equipment (Sayers, 1990). A score of 1 on the IRI indicates one inch of vertical vehicle movement per mile traveled at 50 mph. Scores range from 1 to 200, with 200 as the roughest; those below 95 indicate mileage in good condition (less than 95 inches of movement per mile traveled). Scores of 96 to 170 indicate fair condition, and above 170 indicates poor condition.

According to 2016 Federal Highway Administration (FHWA) data for Illinois, 68.3% of municipal streets are in poor condition (Figure 2). Less than 3% of municipal streets evaluated according to IRI are in good condition, and the number in poor condition has increased considerably since 2001. Mileage in good condition in 2001 gradually deteriorated, and by 2016, these ratings were downgraded to fair or poor.

**FIGURE 2**

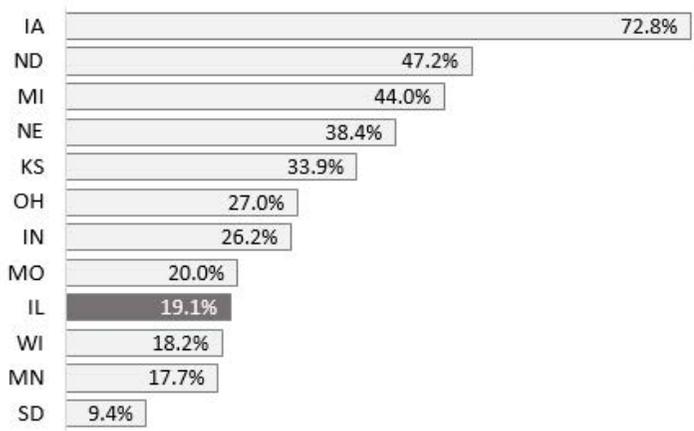
CONDITION OF ILLINOIS MUNICIPAL STREETS, 2001 & 2016



State funding affects municipal street conditions, and funding in Illinois has not matched that of neighboring states. In 2016, state revenues for municipalities for streets and highways represented 19.1% of corresponding municipal expenditures. In North Dakota, state agencies funded 47.2% of municipal street expenditures. Municipalities in five of 12 states in the Midwest Census Region received state funds exceeding one third of spending for street maintenance.

**FIGURE 3**

PERCENT OF MUNICIPAL HIGHWAY EXPENDITURES FUNDED BY STATE, 2016\*



\*Includes capital outlays and construction. 2017 Census of Government Finances data is scheduled for release in fall 2019 but was unavailable at the time of publication.

Source: U.S. Census Bureau, 2016 Annual Survey of Government Finances

## CONDITION OF BRIDGE STRUCTURES

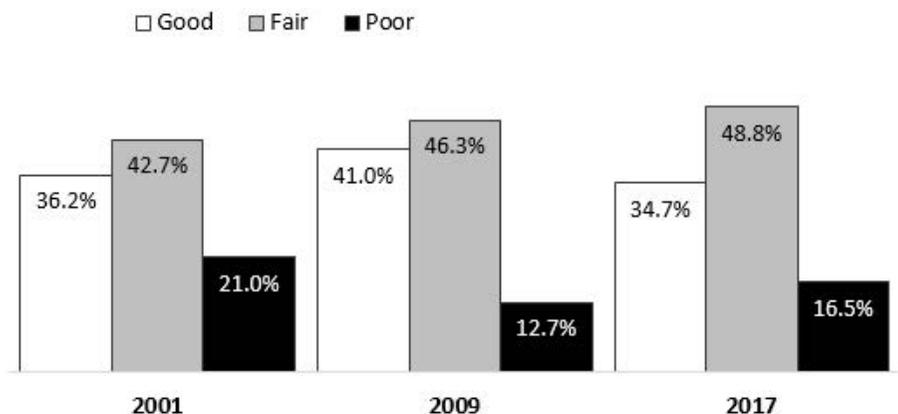
Bridges are another key component in the local transportation system, and a comparable rating system for those 20 feet or longer is available in a recently updated national bridge inventory (Federal Highway Administration, 2017). It uses a 10-point rating system, ranging from “closed” (0) to “superior to present desirable condition” (9). Bridge structures are especially important because closures can shift traffic to other parts of the transportation network.

In 2001, more than one-fifth of the municipal bridge area was in poor condition—needing repairs to prevent a potential collapse (Figure 4). As the economy improved through 2007, municipalities made repairs, and the number of at-risk bridges decreased. In 2009, which the National Bureau of Economic Research defines as the end of the recession, approximately 12.7% of bridges were in poor condition. However, the recession had a prolonged effect on Illinois municipalities well after it ended nationally, and some survey respondents reported deferring capital projects to weather budget shortfalls (Walzer & Blanke, 2018b).

By 2017, the share of bridges in poor condition had increased to 16.5% and the number of municipally-maintained bridges in good condition (i.e., no apparent signs of wear) had decreased to 34.7%. Clearly, deferred expenditures had an adverse impact on the quality of bridges in place.

### FIGURE 4

BRIDGE DECK AREA BY CONDITION, MUNICIPAL-MAINTAINED BRIDGES, 2001–2017



Source: Federal Highway Administration, National Bridge Inventory, 2017.

## WATER AND SEWER FACILITIES

Financing water and sewage treatment facilities differs from transportation because these facilities are often managed as enterprise funds with user fees. Thus, it is important that current rates in municipalities generate sufficient revenues to finance desired levels of services. Nearly half (46.3%) of the 67 mayors responding to questions about water and sewer facilities in the 2018 fiscal survey reported that water-sewer rates had been professionally examined in recent years. More than three-fourths (77.6%) reported that the water-sewer rates were adequate to fund the services.

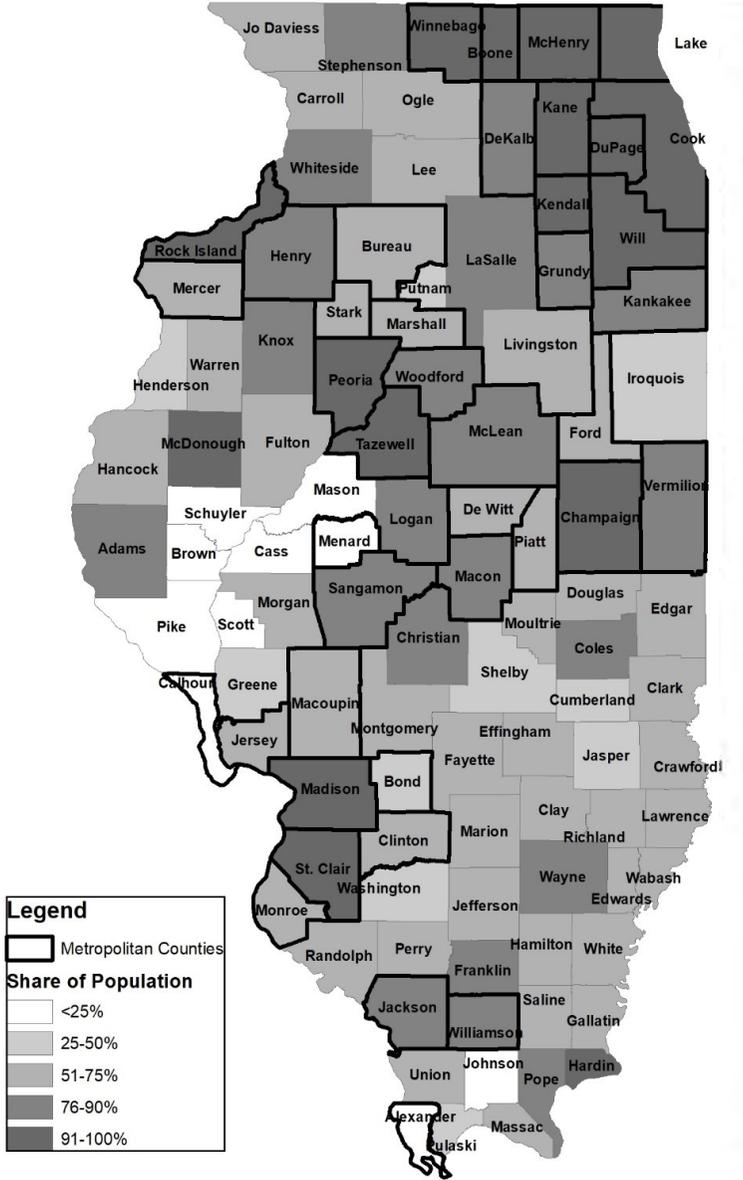
However, one-third of mayors answering the question reported that the sewage treatment plant needed repairs or an upgrade. Two-thirds (66.7%) said that the sewage treatment plant, rather than the water treatment facility (46.7%), needed the most attention. When asked about specific costs for renovations, the number responding was too small to conduct a reliable analysis by municipality size.

## BROADBAND AVAILABILITY

Access to high-speed Internet was not included in the 2018 fiscal survey, but it has become a priority in the economic development literature. In 2017, 92.3% of Illinois residents had access to high-speed Internet, but non-metropolitan areas are underserved, especially west-central and southern Illinois (Figure 5). Fortunately, the capital bill passed in 2019 provides more than \$400 million to upgrade Internet access across the state.

**FIGURE 5**

PERCENTAGE OF POPULATION WITH ACCESS TO INTERNET  
(Download Speeds > 100 Megabytes per Second)



Source: Federal Communications Commission, 2017.

## INFRASTRUCTURE SPENDING AND REQUIREMENTS

Among the 41 municipalities providing detailed cost estimates for water/sewer repairs, the median municipality (median population of 17,000) reported it should spend approximately \$1.7 million but is able to spend only about \$1 million. On a per-resident basis, this means it should spend about \$101 per capita but expects to spend about \$60, a sizeable shortfall.

Responding mayors also estimated amounts spent on infrastructure compared with what they considered appropriate per year to maintain the current streets or bridges in desired condition. Amounts that should be spent per mile or per bridge to meet future demands are shown in Figure 6, with the average municipality estimating spending needs of approximately \$228,000 per mile for existing streets. Expenditures necessary to repair existing streets were highest in the smallest and largest municipalities in the survey (populations below 10,000 or higher than 50,000). Too few mayors in the survey provided cost estimates for additional streets to make comparisons by size.

**FIGURE 6**

AVERAGE COST PER MILE FOR CURRENT AND ADDITIONAL STREETS

POPULATION SIZE	AVERAGE COST PER MILE	NO. OF RESPONSES
Current Streets	\$228,000	38
5,000–9,999	\$253,000	15
10,000–24,999	\$209,000	12
25,000–49,999	\$216,000	6
50,000+	\$236,000	5
<b>Additional Streets*</b>	<b>\$342,000</b>	<b>19</b>

\* Calculated from total street mileage in 2017 IDOT data. The IML-CGS survey did not include a question about how many miles of additional streets need to be built.

Source: Repair cost estimates from IML-CGS Fiscal Strategies Survey, 2018. Total street mileage by municipality from IDOT, 2017 Illinois Highway System files.

In the survey, 52 mayors provided estimates of how much they need to spend annually to keep streets in good condition, as well as how much they expect

to spend. The average municipality in the survey estimated it should spend \$37,000 per mile for street repairs but, given revenues available, is likely to spend approximately \$27,000, a shortfall of approximately \$10,000 per mile (Figure 7). The anticipated funding shortfall for streets was highest in smaller municipalities, but population size and funding shortfall per mile were not significantly correlated. Mid-size municipalities (25,000–49,999 residents) were able to spend the most on street repairs and had the lowest funding shortfalls.

## FIGURE 7

### AVERAGE ANNUAL REPAIR COST PER MILE FOR MUNICIPAL STREETS

POPULATION SIZE	SHOULD SPEND	EXPECTS TO SPEND	SHORTFALL	NO. OF RESPONSES
All Responses	\$37,000	\$27,000	\$10,000	52
5,000–9,999	\$29,000	\$10,000	\$18,000	17
10,000–24,999	\$28,000	\$15,000	\$13,000	20
25,000–49,999	\$57,000	\$52,000	\$6,000	9
50,000+	\$35,000	\$29,000	\$7,000	6

Source: Repair cost estimates from IML-CGS Fiscal Strategies Survey, 2018. Total street mileage by municipality from IDOT, 2017 Illinois Highway System files.

## FISCAL STRATEGIES

Condition of streets and bridges reflects fiscal conditions, especially revenues available. When asked about the adequacy of FY 2018 revenues, 67.4% of the 98 responding mayors reported that revenues were adequate to meet current needs but not sufficient to cover expected inflation. Within this group, 25.5% said that revenues were inadequate for current services, but no immediate cutbacks were expected. An additional 15.3% reported cutbacks in their number of employees in the FY 2018 budget year. The responses varied, with the Chicago metro municipalities being in the most positive situation, largely due to the relative economic prosperity in the region.

Although revenues were tight in many reporting municipalities, 67% reported 90 days of net unrestricted reserves as of April 30, 2018, showing that overall, they were in relatively sound fiscal position. As noted previously, however, it is important to know the actions necessary to achieve that fiscal status (e.g., whether these municipalities postponed capital projects or delayed equipment replacement and if retirees were not replaced or required contributions to the pension system were not made).

Several fiscal strategies reported by responding mayors are especially pertinent to the current discussion. Most often reported (73%) were increases in water and sewer rates. Another 64.8% of respondents to this question reported delaying replacement of vehicles or equipment. Also, 65.2% reported delaying capital infrastructure repairs and replacements including streets, sidewalks, sewers, water mains, and other facilities. Information was not collected on the length of time involved or the delayed amounts as a percentage of expected expenditures.

One in five responding municipalities (20.2%) reported postponing or reducing wage adjustments for non-represented employees, and 9% reported borrowing from enterprise funds to pay for current operations.

Somewhat unexpectedly, 36% reported increasing property tax rates, which may reflect the local political climate or philosophy underlying management strategies. In other cases, however, it may be that the municipality was already at the property tax rate limits for specific funds and could not go higher. An equal number reported drawing down reserves, which is consistent with the previous discussion of net unrestricted reserves available.

Each strategy can affect amounts spent on capital to meet current, or future, needs and suggests wide differences in the ability of Illinois municipalities to finance capital projects on a regular schedule. Federal funds are sometimes available through grants or loans to finance capital projects, and 39.3% had applied for project funds to finance current operations, which might then have released funds for capital spending.

The survey findings make it clear that local officials and managers were under significant pressure to fund current operations, that equipment replacement and capital projects were definitely casualties, and that, based on 78 questionnaire responses, the recession left lasting impacts. In fact, one-third of the mayors reported intending to take extra cost-cutting actions to balance the FY 2019 budget, and another 42.3% were not sure.

Several municipalities have gained media attention for innovative infrastructure approaches. In Joliet, a local engineering union posted a “cross at your own risk” sign on a billboard over an Interstate 80 bridge that IDOT rated as being in critical condition. The bridge is scheduled for a \$5 million repair project to prevent near-term closures, but engineers estimate that a long-term solution for the bridge would cost more than \$1 billion and require state action.

In May 2019, Bloomington increased the local Motor Fuel Tax (MFT) rate from 4 cents per gallon to 8 cents per gallon to fund needed street repairs in the absence of sufficient state support (Hernandez, 2019). According to local estimates, nonresidents pay approximately 30% of MFT revenues in Bloomington, so it was a more desirable option than raising taxes on sales, properties, or utilities. Some city council members proposed avoiding or mitigating a gas tax increase by reallocating other parts of the city budget to streets, but an increase in MFT was preferred. The local motor fuel tax rate remains at 4 cents per gallon in the adjoining Town of Normal, but not all fuel purchases shifted to Normal, because Bloomington has a truck stop and Normal does not. Some planned projects in Bloomington include road and bridge improvements giving multimodal access to the Union-Pacific railroad beginning in spring 2020 and a 3,000-foot road extension that would improve linkages between residential/recreational areas and employment centers.

O’Fallon approved a five-year, \$66.7 million capital improvement plan in May 2019 (City of O’Fallon, 2019). Some water lines in the city are more than 60 years old, so the plan includes nearly \$30 million in proactive repairs and updates, including water main replacements in subdivisions and drainage and sewer lining improvements. Approximately \$12.4 million was allocated for street and sidewalk improvements, and approximately \$5 million for parking lots and facilities. The plan is funded with a mix of bonds, user fees, state grants, tax increment finance districts, and reserves. A hotel/motel tax will fund park improvements. The water and sewer projects are financed by user charges to their respective enterprise funds and by low-interest loans from the Illinois Environmental Protection Agency.

Glen Ellyn launched a \$12.8 million plan to overhaul downtown streets to coincide with needed sewer repairs (Smith, 2019). The streets did not require repairs, but parking spaces were redesigned to comply with mandates from IDOT and the Americans with Disabilities Act. The project will be funded by bonds and a new home rule tax on food and beverages. Construction is expected to conclude by 2021.

## HOW STATES MEET INFRASTRUCTURE NEEDS

Illinois is certainly not alone in dealing with issues in the post-recession period. The Illinois economy underperformed other states in the Midwest and the United States, but Illinois has moved ahead in addressing infrastructure issues. The CREATE program improved the freight and passenger system in the Chicago area. The program is funded through a public-private partnership including state, federal, and local transportation agencies working with several railroad/transportation companies. As of August 2019, 30 of the 70 scheduled railway improvement projects in the CREATE program had been completed (CREATE Program, 2019).

IDOT manages an Economic Development Program that funds road and rail improvements necessary for manufacturing and transportation/warehousing companies to create and retain local jobs. The grants are noncompetitive, and municipal streets are eligible. Funding is based on the number of jobs created or retained, as indicated in employer commitment letters. Economic Development Program grant recipients receive \$30,000 for each job created and \$10,000 per job retained, up to \$2 million.

In July 2019, Governor JB Pritzker signed three bills intended to improve infrastructure conditions in Illinois. HB 62 appropriated nearly \$45 billion for capital projects. Statewide project funds will be administered primarily through the Build Illinois Bonds program, in which the Department of Commerce and Economic Opportunity provides grants for local governments. Included in the bill are the following:

- \$420 million in grants for broadband development projects statewide;
- \$75 million for land acquisition for economic development projects in distressed areas;
- Water treatment facilities in municipalities, such as Marengo and Algonquin;
- Parking facilities in municipalities, such as Frankfort, as well as several community college districts; and
- Bridge improvements in Villa Park, Aurora, and other communities, including pedestrian bridge upgrades for Americans with Disabilities Act compliance.

SB 1939 raised the motor fuel tax rate from 19 cents per gallon to 38 cents per gallon to fund infrastructure projects. For reference, the January 2019 motor fuel tax rate was 33 cents per gallon in Wisconsin and 29 cents per gallon in Indiana (Federation of Tax Administrators, 2019), so there might be revenue leakages if people purchase more fuel in bordering states. Regardless, streets and bridges have been underfunded for many years, and the motor fuel tax is consistent with the benefits principle (Weinzierl, 2018; i.e., those using the roads pay for maintenance). HB 142 increased the state's bonding authority for infrastructure improvements.

Other states are creatively helping local governments address growing infrastructure needs, especially to promote local economic development. Washington State has a Local Infrastructure Financing Tool (LIFT) program through which local governments can use revenues from several sources to finance capital improvements, especially for local economic development (Washington State Community Economic Revitalization Board, 2018). The LIFT program began in 2006 and currently has eight participating cities with populations ranging from 35,000 to 111,000. As of December 2017 (latest report available), the State of Washington had awarded \$35 million in local construction support via the LIFT program.

In 2018, Michigan passed legislation creating Local Development Finance Authorities—special districts that allow municipalities to acquire funding for shared infrastructure projects using tax increment financing, revenue bonds, or loans from state agencies (Michigan Economic Development Corporation, 2018). Texas has a similar program where municipalities and counties can create Transportation Reinvestment Zones to fund infrastructure projects with property tax increments.

In 2016, Indiana enacted a Community Crossings Matching Grant program that allocates federal funds for local infrastructure projects. Projects in counties with populations under 50,000 or cities with populations below 10,000 are eligible for a 25/75 match (i.e., the municipality pays \$250,000 and the state covers \$750,000). All other projects are eligible for a 50/50 match. Half of the funds allocated for the Community Crossings Program must go to smaller counties, and communities can submit multiple applications during the annual funding cycle. As of August 2018, the program had awarded \$300 million in state funds for local construction projects.

New York has a statewide transportation plan for 2016–2021 with increased state support for roads and bridges under the BRIDGE NY and PAVE NY initiatives (New York State Department of Transportation, 2016). In 2018, the BRIDGE NY program provided an average of \$2.4 million each for 86 construction projects, which were predominantly in Upstate New York (New York State Department of Transportation, 2019). The program offers grants to municipalities based on bridge condition, traffic, businesses served, and considerations for detours.

## **SUMMARY**

The analysis of infrastructure (streets and bridges) condition and fiscal strategies used by mayors in the post-recession period confirmed many issues that were expected but also revealed important insights into both actions taken and remedies tried in other states.

The overall condition of municipal streets deteriorated in Illinois municipalities during the past decade, as shown by an increase in the percentage of structures rated in poor condition and a decrease in the percentage rated as excellent. During the same time, the condition of bridge structures (more than 20 feet) fared better, increasing from 46.3% rated as fair in 2009 to 48.8% in 2017. Likewise, bridge ratings of excellent went from 12.7% to 16.5% in the same period.

More than three-fourths (77.6%) of mayors responding to the survey reported adequate water/sewer rates to provide services, but one-third reported that the sewage treatment plant needed repairs or an upgrade and, in some cases, both water and sewage treatment facilities are issues.

A comparison of net unrestricted reserves in 2018 shows that most responding municipalities are in a fiscally stable position except for concerns about growing pension obligations. However, many also reported that although revenues were adequate to meet current demands for services, they did not meet inflation or future demands.

Mayors reported that infrastructure issues had been postponed in some cases because of fiscal conditions or to maintain current services. These decisions might partially explain the deterioration in the quality of streets in some municipalities. Equally important is the potential impact of future expenditure needs on local finance. When asked how much the municipality should spend

on streets and bridges compared with what it expects to spend, the shortfall is significant. This finding does not bode well for maintaining infrastructure facilities in the future.

Illinois is not alone in dealing with infrastructure financing issues. Other states face similar problems, but the previous lackluster performance of the state's economy placed Illinois at a disadvantage. A brief review of several other states shows that they dealt with the issue via various approaches to meet unique situations. A common characteristic, however, is that infrastructure improvement programs target economic development as one way to lessen difficulties.

The condition of public infrastructure is a major financial issue with which local public officials and managers have had to deal in the past, and it is likely to continue in the future. Fortunately, experiences in 2018 offered some fiscal relief, but a potential slowdown in 2020 could make the relief short-lived.

Because high-quality infrastructure is essential to local economic development, it has become a priority for future spending. Actions by several state governments to help local officials address infrastructure needs were described previously. Illinois has several programs that helped local governments meet infrastructure needs, but the road ahead might still be long and difficult.

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**APPENDIX**

**ROAD AND BRIDGE CONDITION RATING SCORES**

<b>STREET CONDITIONS - INTERNATIONAL ROUGHNESS INDEX</b>	
SCORE	MEANING
0	Not evaluated by roughness index.
1-94	Good condition—the body of a vehicle 50 mph would vertically move less than 95 inches per mile traveled.
95-169	Fair condition—95–169 inches of vertical movement per mile traveled at 50 mph.
170+	Poor condition—A vehicle would move 170 inches or more for each mile traveled.

<b>CONDITION RATING SCORES</b>		
STREETS	SCORE	BRIDGES
New or perfect condition	9	Excellent condition—newly built.
Better than adequate with normal maintenance	8	Very good—no problems noted.
Surface adequate with normal maintenance	7	Good—minor problems noted.
Less than adequate with normal maintenance	6	Satisfactory—some minor signs of deterioration.
Limited failures and barely adequate	5	Fair—bridge is structurally sound, but has minor signs of cracking, scour, etc.
Considerably higher maintenance to prevent failure	4	Poor—advanced section loss, cracking, scour, etc.
Considerable failures and disintegration	3	Serious—deterioration affecting primary structure (e.g., cracks in steel frame).
Substantially higher than normal maintenance	2	Critical—requires close monitoring to remain in service. Can be repaired while in service (e.g., lane closures).
Failures to extent that operation of traffic is unsafe	1	Imminent failure—bridge is visibly unstable and must close for repairs.
Closed, awaiting repairs	0	Failed—out of service and cannot be repaired.

## NOTES

Includes capital outlays and construction. Data is susceptible to inconsistent coding for some items (e.g., shared motor fuel tax revenue being reported as state aid or an own-source revenue). 2017 Census of Government Finances data is scheduled for release in fall 2019 but was unavailable at the time of publication.

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