



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

June 24, 1999

Local Benefits Increase
From Illinois FIRST Program

#99-7

COUNTY ENGINEERS/SUPERINTENDENT OF HIGHWAYS
MAYORS OR VILLAGE PRESIDENTS
MUNICIPAL ENGINEERS/DIRECTORS OF PUBLIC WORKS

Governor Ryan has signed into law legislation which creates Illinois FIRST, a \$12 billion public works program that will rebuild and expand the state's roads and highways, renovate mass transit, repair and enlarge schools, and meet the various needs of local communities.

Illinois FIRST will provide a substantial boost in local revenue bases for highway and street purposes. Motor Fuel Tax (MFT) revenues allocated to local governments will be increased at an expected 17 percent growth. The increase will amount to \$435 million over five years for local units of government. Local governments will receive an annual average of \$572 million in MFT funds over the Fiscal Years 2000-2004 time period.

From the department's share of increased highway revenues, \$325 million over five years will be made available to target specific local highway problems. These special programs are as follows:

- **County Consolidated Program:** State assistance will be consolidated into one program from the previous local benefits categories of Needy Counties, Assessed Valuation Loss Compensator, High-Growth Counties, and Traffic Signal Computerization. Assistance will be increased by 132 percent to \$21.8 million per year and will be distributed among the counties (excluding Cook County) with \$8 million shared equally and \$13.8 million distributed by the MFT formula which is based on registered vehicles.
- **Needy Townships:** State assistance will be doubled to \$10 million per year for needy townships and road districts. This program will be available to units whose 1996 tax rate for road and bridge purposes was at least 0.165. Those that qualified in 1989, but whose 1996 tax rate was less than 0.165 will be eligible for a half share. This program will be distributed to units with the lowest ability to generate revenue on a per-mile basis. The eligible townships and assistance levels will be constant for the five-year life of this program.
- **High-Growth Cities:** State assistance will be doubled to \$4 million per year for five years to municipalities over 5,000 population experiencing above-normal population growth. Any municipality having an increase in population greater than 5 percent either from 1980 to April 1, 1989 or from 1990 to June 30 of any year thereafter will share in this program. Funding

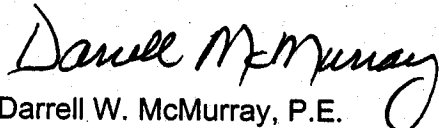
will be distributed among eligible cities based on their current population and per capita increase compared to all eligible cities.

The agencies eligible for funding from any of the preceding three assistance programs will receive their share in annual payments for each eligible program. It is anticipated that warrants will be issued prior to October 1 of each year. The additional funding is to be deposited directly into the recipient's MFT account. Accordingly, expenditures and audits will be performed in the same manner as regular MFT.

- Truck Access Route Program: State assistance will be increased by 40 percent to \$7 million per year for five years to help local governments improve local designated truck routes. The department will provide up to \$30,000 per lane mile and \$15,000 per intersection. The state participation will not exceed 50 percent of the cost of the entire project or \$600,000, whichever is less. This program is designated to help pay the cost difference of upgrading local highways to meet additional weight and geometric requirements. Specific projects will be selected for this program through an annual solicitation. The program will be administered by the Bureau of Local Roads and Streets.
- Economic Development Program (EDP): State assistance will be doubled to \$3.2 million per year for five years to local agencies for highway access improvements to support economic development by either attracting new jobs or retaining existing jobs. Industrial and tourism related job retention/creation projects are eligible for these funds. The program requires a 50 percent funding match from a local unit of government and a commitment from the business/industry involved to locate or expand at the proposed site. This program will be administered jointly by the Office of Planning and Programming and Bureau of Local Roads and Streets.
- State Matching Assistance Program: State assistance will be increased by 33 percent to \$4 million per year to help counties match federal funds when the county cannot derive sufficient matching funds from local taxation. The county must be levying at a minimum rate to receive local matching funds. The calculation of need for state matching assistance is based on what the county would have to provide at a 65 percent matching ratio against revenue generated. The program will be distributed among the counties based on their inability to match federal funds.

County engineers are requested to share this information with the township/road districts within their respective counties. Additional information relative to the discretionary programs mentioned above may be obtained from your district Local Roads and Streets Engineer.

Sincerely,



Darrell W. McMurray, P.E.
Engineer of Local Roads and Streets

cc-
District Engineers