

CONCLUSION

Texas has the most extensive state highway system in the United States. This makes a lot of sense considering the Lone Star State is the second largest state in terms of total area and is also ranked number two in population. North Carolina, by contrast, is the 10th most populous state and only the 28th largest state in the Union. So why is North Carolina's state highway system bigger than California's or New York's, or every other state, except Texas? The answer is complicated, but says a lot about the manner in which road projects are conceived in the Tar Heel state.

Through the 1920s, North Carolina had one of most ambitious highway programs in the country. Not only were county leaders interested in expanding within their borders, but they quickly saw the benefits of connecting counties by road. During the Great Depression, however, county roads in North Carolina came under state ownership. That means today, North Carolina has very few county-owned roads. While this policy may have seemed like a good idea during the 1930s, it means roads that might have been planned, built, and maintained locally are now done so at the state level. In fact, according to Dr. Maurice Y. Mongkuo of Fayetteville State University, the state of North Carolina takes a far greater share of responsibility for roads (78 percent; only West Virginia is higher) than the average state (58 percent).

The trouble with centralization is, the farther away an official is from a transportation need, the more difficult it is to satisfy that need appropriately. Layers of costly bureaucracy must be introduced for state-level officials to handle regional and local transportation matters appropriately – and these bureaucracies can make increased fiscal demands from the state's coffers. More importantly, though, it means state planners are more likely to over fund or under fund projects, miss critical needs, or face complaints by locals. This is because every new road or road upgrade is currently tied to state revenues and state bureaucracy. So how can things get done differently?

In one part of Virginia they took a different approach. The results have been promising. According to business analyst James Bacon: "Over the years, commercial and residential development spilled into Suffolk and residents began agitating for better services. After months of negotiations, VDOT handed the roads — and funds to take care of them — over to Suffolk." This is known as decentralization (or devolution) and Bacon recommends it for the rest of the state: "When citizens have complaints, says Eric Neilsen, director of public works, 'We don't have VDOT to blame anymore. It used to be we'd say, 'It's VDOT's fault, what can you do?' ... Now the buck stops here.'" Could a similar solution work in some or all of North Carolina?

Next, special interests can have an effect on the way roads get built. If you're a wealthy developer with an old friend on the Transportation Board or in the General Assembly, you may have an easier time getting pavement to your development or business. While this may not happen as readily today as in the past, the history of North Carolina roads is rife with examples of old boy

projects. Even as recently as 2005 House Speaker Jim Black (D-Mecklenburg), Senate President Pro Tempore Marc Basnight (D-Dare) and “other legislators also had access to House and Senate ‘contingency funds’ in the Department of Transportation. NCDOT officials said about \$5.8 million was spent from those accounts in the current fiscal year”; according to Mark Johnson and Jim Morrill writing in the *Charlotte Observer*.

Finally, equitability or “equity” is the primary allocation formula used by the state to determine how transportation funds will be spent statewide so as to be distributed fairly and equitably across all seven distributional regions. The formula, which uses incomplete road-miles, population, and a base amount distributed equally to each region, was adopted by the state in 1989 and considered the best practice at the time. Now, however, many consider the formula for constructing roads in North Carolina to be outdated and inefficient, especially because it does not factor in congestion or directly address critical needs. Critics also charge that use of this formula has been the primary way unnecessary road-miles have been built and taxpayer resources wasted.

The idea behind the formula was not only to ensure equitable distribution among the seven regions, but to ensure “economic development” projects such as four-lane highways were built statewide. The result has been under funding in some areas and excessive funding in others. Eastern North Carolina, for example, has had a lot of four-lane construction in sparsely populated areas. And the critical needs of congested areas often go unmet because the drivers causing the congestion may not live in the congested region. According to Dr. David Hartgen, of the 349 major road projects constructed between 1990 and 2003, more than one-third were of “questionable value” based on cost per vehicle-mile. The cost to taxpayers was \$2.5 billion, or nearly a third of the original Highway Trust Fund budget.

In short, while population density has a lot to do with the concentration of funds into transportation projects, so also do considerations of “equity.” That is, allocation formulas build in a certain amount of money for construction in rural areas – whether these areas need the construction or not. But this “Build it, they will come” mentality has contributed to considerable waste. Indeed, rural areas often need road maintenance more than they need new construction. But voters can feel slighted if high-density areas get all the shiny new projects. Politicians and bureaucrats responded with formula in order perhaps to protect their jobs – or even out of some abstract notion of fairness – but taxpayers lose out in the end.

As a result of these three main factors – centralization, special interests and outdated formula – North Carolina’s state highway system is poorly matched with its size and population compared with other states. Constructive changes to legislation, resource allocation, and to the bureaucracy itself can get us back on track. And positive solutions like innovative financing, responsible budgeting, improved cost/benefit analyses, and increased prioritization – all – offer us a way to regain the title of “the good roads state.”