



THE UNITED STATES CONFERENCE OF MAYORS

Senate Environment and Public Works Committee

**“Infrastructure: The Road to Recovery”
Thursday, June 4, 2020
10:00 a.m.**

**Written Testimony
of
The Honorable Greg Fischer
Mayor of Louisville
Vice President, The United States Conference of Mayors**

Mr. Chairman, Mr. Ranking Member, and Committee Members,

Thank you for this opportunity to participate in this hearing.

I am Greg Fischer, Mayor of Louisville. I appear as mayor of my state’s largest city and the nation’s 18th largest city. I also appear as Vice President of The United States Conference of Mayors, where I will become President of this mayors’ organization in less than a month.

The Conference of Mayors is a bipartisan organization representing the more than 1,400 U.S. cities with a population of 30,000 or more. Member cities are represented the chief elected official, the mayor.

Chairman Barrasso and Ranking Member Carper, I want to commend you for holding this timely examination of how infrastructure construction, improvements, and repair generally, and how the *America’s Transportation Infrastructure Act* specifically, could help stimulate economic recovery and growth. I appreciate this opportunity to present the views of the nation’s mayors and express my gratitude for allowing me to participate remotely.

Before I talk about the topic that has brought us here today, infrastructure, I would like to take a moment to acknowledge the two ongoing crises that Louisville and cities across our nation are facing. The COVID-19 pandemic and systemic institutionalized racism.

My community is mourning the deaths of two residents who have died in interactions with law enforcement, Breonna Taylor and David McAtee, and we join Americans nationwide in mourning the deaths of George Floyd, Ahmaud Arbery and so many others. We’ve taken numerous steps locally – involving both police reform and requesting independent investigations and reviews, though I know none of these will not resolve the frustration and concerns that residents are feeling and demonstrating on the streets of Louisville, just like we’re seeing around the country.

When I visited with protesters recently, I heard their anger and disappointment in a system that still devalues African American lives and denies African Americans justice, opportunity and equity. And I support their efforts.

Structural racism results in disparate health and economic outcomes for minority communities, which have been disproportionately impacted by COVID-19. African Americans are suffering from increased risk for complications and death due to preexisting and chronic conditions.

According to the May 8th news releases by the Bureau of Labor Statistics, the unemployment rate reached “16.7 percent for Blacks, 14.5 percent for Asians, and 18.9 percent for Hispanics” in the month of April. Minorities are losing jobs at higher rates, and the record-high jobless numbers are destroying wealth in their households and communities.

Mayors understand that national and community leaders must work together to harness the moment to catalyze structural, legitimized policy reforms that begin to address four hundred years of injustice and imbalanced power.

Today, we have an obligation – and our opportunity – to reform our system. To put an end to the racism that still haunts and hinders our progress as a nation. And infrastructure plays a role in making the changes we need to make to live up to constitution’s guarantees of freedom and equality.

The Senate Committee on Environment and Public Works can help cities address one of these challenges. With your support, mayors can promote equitable economic growth through infrastructure investment as we move forward during our national recovery.

Equity Integral to a National Investment Agenda

The coronavirus and its revealing of deep-seated economic disparities challenge us to direct our national infrastructure investments not only on projects of so-called national and regional significance, but on projects of critical significance to our local communities that are responsive to the needs of low- and moderate-income neighborhoods. In doing so, we can help our residents and small businesses to thrive.

With national unemployment at unprecedented levels amidst this public health emergency, we need to give more attention now to making investments where people need it most. Expanded commitments to Surface Transportation Block Grant (STBG) funding – especially “local area” funding, with local elected officials deciding investment priorities that are responsive to community needs – can help ensure that infrastructure investment is directed in support of local neighborhoods that continue to struggle economically for a variety of reasons.

In my city, we are committed to promoting greater equity through our infrastructure investments to address income inequality. One example of how we believe transportation infrastructure can advance these goals is our Reimagine 9th Street Project.

This proposed \$20.5 million investment – which would consume more than what our Metropolitan Planning Organization (MPO) receives annually in Surface Transportation Block Grant (STBG) funding – is an example of how highway infrastructure investment can help address disparities in the wake of COVID-19.

Our plan is to reengineer 9th Street from the Ohio River to Broadway inside the city, while providing a safer, more vibrant connection for the residents of several designated Opportunity Zones running along the corridor. We want to undertake these infrastructure improvements to correct the long-standing physical, social, and racial divide that has alienated the neighborhoods of West Louisville from the downtown business district and other neighborhoods to the east.

The facility, as currently constructed, lacks proper infrastructure to facilitate safe outcomes for all users, including pedestrians and cyclists. A requested federal BUILD grant would enable us to revision this corridor with a complete streets concept that better protects our residents who live in neighborhoods along 9th Street and improves their quality of life.

In the future, there are plans for this corridor to support the Dixie Highway Bus Rapid Transit (BRT) line, providing dedicated transit lanes and improving rider experience. The Transit Authority of River City (TARC) moves 40,000 Louisvillians on a daily basis. Nearly 60 percent of our transit trips are getting people to and from work, and an additional 20 percent are getting people to and from educational opportunities. We consider TARC to be critical to our economic and workforce development efforts.

Our local taxpayers deserve equitable access to employment and education opportunities, commerce, municipal services, healthcare, and clean air no matter which zip code they live in. In doing so, we can help overcome a physical divide and improve economic and public health outcomes.

There are many other projects like our Reimagine 9th Street Project that we could pursue in Louisville and throughout the nation, investments that would accomplish the same outcomes, which are particularly critical at this time in our history. Importantly, these infrastructure projects can help local areas grow economically during this recovery period from the coronavirus and its fallout. Such investments will also help ensure that our metro economies, which are projected to account for 94 percent of our nation's annual job growth, can play a pivotal role in putting the country back on track as we work to get 40 million people back to work.

Impact of Coronavirus on Cities

Let me share some of the mayors' views on the fiscal impact of the pandemic on our cities. We all know about its immediate effects and they have been substantial, but the near-term and long-term effects of COVID-19 are still uncertain and evolving. As we learn more about this deadly virus, it often feels like the unknowns increase as well.

For our part at the Conference of Mayors, the organization has been holding weekly calls with hundreds of mayors to share first-hand experiences and best practices as best we can, amid much angst and uncertainty.

In addition to weekly mayoral calls, the Conference is sponsoring webinars for mayors on various topics, distributing daily written updates, and conducting frequent surveys and other data-gathering efforts to help assess the public health and economic fallout wrought by this virus.

To build the public record, the Conference of Mayors established the [Mayors COVID-19 Fiscal Pain Tracker](#), an online tool that reports on local fiscal impacts. The Tracker is continually updated and now provides information submitted by 170 cities. This is what my city filed into the Tracker, reflecting our Fiscal Year (FY) 2021 budget recommendation using estimates available on April 23, 2020:

Louisville Mayor Greg Fischer, the Conference's Vice President, reported that the budget shortfall the city faces is too large to be absorbed and will result in cuts across every Metro Government agency, including public safety. The city is expecting a COVID-19-related revenue shortfall of \$46 million in the fiscal year ending June 30, followed by an estimated \$69 million in the next fiscal year. 380 Metro public servants have already been furloughed, and without any direct federal assistance, the city is looking at further furloughs and possible layoffs in response to the budget shortfall.

We are preparing to revise our estimates to reflect actual revenue receipts from the month of May as that information becomes available.

We do know that this pandemic affects cities in different ways and at different times, with varying degrees of intensity. In my own city like so many others, we must battle this pandemic with all of our public health, public safety and human resource services, among other services, that we have at our disposal, all the while we struggle to maintain funding commitments in our budgets as local revenues decline.

Mayors know our cities will be changed by this pandemic, as it realigns our business sectors and workforces as well as local government services. COVID-19 is forcing change on a massive scale and at a very rapid pace, challenging our public, private and non-profit institutions like never before. And, it has brought unprecedented disruption to our transportation networks and services, forcing this Committee to reexamine and revisit its FAST Act renewal proposals.

The most pressing issue before city governments is the rapid deterioration of our local revenue streams, as several mayors discussed last week before a House Subcommittee. Led by Conference President and Rochester Hills (MI) Mayor Bryan Barnett, seven mayors joined together to discuss the local fiscal impacts of this pandemic before the House Select Subcommittee on the Coronavirus Crisis. Mayor Barnett joined with Mayor Jenny Durkan of Seattle (WA), Mayor Stephen K. Benjamin of Columbia (SC), Mayor Keisha Lance Bottoms of Atlanta (GA), Mayor Mary Jane Scott of Mangum (OK), Mayor Lenny B. Curry of Jacksonville (FL), and Mayor Eric Garcetti of Los Angeles (CA) at this session.

This Subcommittee forum coincided with the nation reaching a gruesome milestone – 100,000 lost to COVID-19, a toll that now stands at more than 105,000 American lives – where mayors stressed the urgent need for federal action to address growing local budget shortfalls (what we commonly call “local fiscal relief”) with new federal funding commitments, procure more personal protective equipment and testing supplies, and develop a comprehensive national strategy to prevent a second outbreak.

Let me share some of their perspectives. In his remarks, Conference President Barnett described current conditions in this way: “My message today is straightforward and urgent. American cities are still being devastated by this pandemic, and it is imperative that Congress and the Administration take swift action before the beginning of the next fiscal year, which for many cities begins on July 1.”

Immediate Past Conference President Steve Benjamin, Mayor of Columbia (SC) said that without direct federal aid, cities will be forced to scale back essential services. “Simply put, absent flexible federal fiscal assistance, state and local government will be forced to lay off employees, cut services, and take other measures that undermine any countercyclical fiscal and monetary actions taken at the federal level,” he said.

City leaders just like you here on Capitol Hill struggle daily to comprehend fully what this pandemic has wrought, and like you we seek to find the best solutions that respond to the dramatically changed public health and economic landscape before us.

Compounding these financial effects, this pandemic has revealed structural and deep-seated disparities embedded in our service systems and in our economy. We continue to learn from COVID-19 hospitalizations, deaths, and positive cases that there is a growing record of disparate impacts, with race and ethnicity being key factors in determining who is most adversely affected. And, the current social unrest we are now experiencing in my city and elsewhere reminds all us that we have more to do in addressing inequalities in how we deliver our services and make new public investments, including public infrastructure.

Mr. Chairman, I want to thank you again for this opportunity to talk about actions you and your Committee colleagues can take to get our economy on the path to recovery and future growth, including how you might adjust the *America’s Transportation Infrastructure Act of 2019* you adopted last year.

I also want to take this opportunity to thank each of you for the new funding you provided in the CARES Act and your other legislative actions to date to help us at the local level combat this pandemic. I was heartened to see the bipartisan efforts that led to a 96-0 vote passing the CARES Act. I am thankful to our US Senator from Kentucky, Majority Leader Mitch McConnell, for his leadership in facilitating that outcome.

Yet, despite these funding infusions, there is still more to be done to get us on the right path, including especially funds for fiscal relief for cities, counties and our state governments. And, we know that all of us must do more to advance greater equity and inclusion in the policies we adopt and the funds we invest.

Partnering with Cities on Economic Recovery

One of the significant challenges before us is how we all work together on economic recovery in this COVID-19-impacted world. As mayors, we believe there is need for the federal government to be even a stronger partner with cities if we are to enable the strongest possible recovery.

The U.S. economy is simply the sum of all its local economies, all contributing in different ways to our collective economic output. And, we do know that increasingly our national economy is being driven by the 360+ urban area economies, what we call our U.S. Metro/City economies. In fact, these areas are the engines of America's economic growth and are key to our future economic recovery and long-term prosperity.

These metro regions now account for over 91 percent of the nation's gross domestic product (GDP) and wages, and 88 percent of total employment, according to the Conference's U.S. Metro Economies reports prepared by HIS, which I oversaw as Chair of the Conference's Council on Metro Economies and the New American City for over six years.

Over the last two decades, the U.S. metro share of these key national economic indicators has steadily climbed to their current levels and are projected to continue their upward trend. What this means is that our investments in infrastructure must reflect and support the nation's economic activity where it occurs. Only then will our investments yield productivity gains necessary for higher rates of growth. That means increased investment in our metro economies, which span both more urban and suburban jurisdictions.

This committee recognizes this economic reality by providing investment resources that help build transportation systems that address mobility, equity, and sustainability. But we must do more, and there is a particularly pressing need now to ensure that more of these resources are subject to local decision-making.

In this COVID-19 environment, each of our local economies will struggle to restore economic output to pre-pandemic levels. Since 2008, we have seen how some metro areas struggled to return to their pre-2008 recession levels of employment and economic output. It is possible that the economic contraction we are now experiencing today may take even longer to fully recover, as some economist now predict.

In my own region, the Louisville-Jefferson County metro area accounts for about one-third (32.1 percent) of Kentucky's economy, totaling \$67.3 billion of economic output in 2018. My city sits at the center of this bi-state region, which also includes counties in Southern Indiana that account for \$10.8 billion in additional output. In total, the regional economy generated \$78.1 billion in total economic output in 2018.

As you look to make adjustments in your federal infrastructure spending priorities, notably highway program funding, we encourage you to raise your overall funding commitments and we ask you to provide for more local decision-making. Let me speak to the latter issue first. The Louisville metro area which is so important to the state's economy advances its transportation funding priorities through the Kentuckiana Regional Planning and Development Agency (KIPDA), our region's metropolitan planning organization. Notably, despite our substantial role in driving the state's economy, we have relatively little say or influence over how most federal highway dollars are invested in our state.

During the last fiscal year (FY 2019), the FAST Act apportioned KRPDA about \$20 million in Surface Transportation Block Grant (STBG) Program funding, resources where we in the Louisville region can select projects and we are certain that will be funded (law requires that each state provide proportional share of obligation authority to fund these metro area STBG projects).

With about one third of the state's economy, this STBG formula funding to the Louisville area represents less than three percent of all highway program funds apportioned to the State of Kentucky, which totaled about \$718 million in FY'19.

Notably, in Louisville and cities in other urban areas of our state, local governments own about four of every five miles of roads, which is about the same ownership rate for all local governments of the nation's roughly four million miles of roads. The highways and streets we own and operate are now even more important. In this new pandemic environment, these roads are being use more often as trips have been less frequent and our citizens focus on more localized and necessary travel. These more localized focus is something all of us must consider as we seek to adjust and reengineer our systems and facilities to adapt to demands of this public health threat.

In his recent statement, Mayor Benjamin said it very well. "By opening our economies gradually but safely, we can set the stage for long-term mitigation of this public health crisis and our economic recovery. But this can be done only if we open in a smart way that acknowledges the virus is still present. This will require diligence of our citizens and the ingenuity of our businesses. And it will require federal support of our cities and local resources on all fronts." I believe this new reality requires us to embrace and further empower local decision-making as we deploy available federal resources for infrastructure, among other investments, to accomplish these outcomes. And, I believe we are still learning about how we adapt our streets, curbsides, our other infrastructures and networks, including our public transit systems.

The CDC, in a new guidance issued last week, is recommending that employers provide parking, among other actions, to support more solo driving as a social distancing measure. In many regions, this guidance could promote more congestion and undermine ongoing local efforts to expand travel options in key corridors and to serve growth centers. It is often these very corridors and places where the highest rates of growth are occurring in our metro economies. In fact, these are the very areas that need to recover so they can generate the economic growth that supports our regions, states and nation.

This is one example of many as to why we urge you to look for additional ways to move more decision-making to mayors and other local elected officials who oversee these economic engines. And, we know that it is this local decision-making that will be so important in our efforts restore and grow these regional economies.

We also urge you to consider raising the funding commitments in your FAST Act renewal proposal. As currently drafted, we understand that the Committee is proposing a 27 percent increase in funding over the five years of the reauthorization period. Quite frankly, the economic and revenue consequences of this pandemic forces this Committee to review its earlier funding commitments.

As you noted earlier, cities and other local and state governments are reeling from the economic efforts of the pandemic. According to our preliminary estimates, my city alone projects a revenue shortfall exceeding \$100 million for Fiscal Years 2020 and 2021. And, this is only what we know about as of last month.

To provide some context, below is a table showing new revenue commitment to highways, by federal, state and local governments, from 2001 – 2015.

Table compares federal highway funding commitments to states and local governments for the period 2001-2015

	Federal Funding		State Governments		Local Governments	
	Total Funds*	Directed to Locals*	New State Revenues**	Outstanding State Debt	New Local Revenues**	Outstanding Local Debt
Year	\$ in billions					
2001	22.3	3.6	60.4	66.3	33.1	37.9
2005	26.0	4.0	66.1	88.2	38.5	47.2
2009	32.7	4.5	81.4	125.6	46.9	58.1
2013	34.8	4.9	89.0	192.5	54.3	72.1
2015	34.7	4.9	104.1	217.9	71.7	52.6
\$ Increase	12.4	1.3	43.7	151.6	38.6	14.7
% Increase	55%	37%	72%	228%	116%	39%
<i>Source: FHWA Notices (apportionments & obligation authority); Highway Statistics (tables HF-10, HF-10A, SB-2 & LGB-2); and analysis by The U.S. Conference of Mayors.</i>						
<i>* Total Funds is obligation authority (i.e., actual spending authority) provided to states each year to fund projects under the various federal highway programs; Directed to Locals is STP/now STBG funding to local areas where federal law directs states to assign a proportional share of obligation authority to locally-selected projects in local areas (MPOs with a population of 200,000 or more receive their population share of STBG local area spending authority).</i>						
<i>** Amounts shown for New Local Revenues and New State Revenues exclude borrowed funds.</i>						
<i>Note: Year means fiscal year for federal funding and calendar year for state and local funding; only odd years are shown because FHWA only reports actual figures in these years (2015 is most recent year all of the data are available).</i>						

During this period, federal funding commitments increased only by 55 percent (or 4 percent average annual growth rate), as all state governments increased their new revenue commitments to highways by 72 percent (or 5.2 percent average annual growth rate) and cities and counties by 116 percent (or 8.3 percent average annual growth rate). Given the current economic outlook, especially the uncertainty about the status of local and state fiscal relief, cities and other local governments will be unable to grow their commitments at this rate. It is certain that total highway investment will contract, absent greater commitments in your renewal legislation.

In some markets, project sponsors are accelerating the completion of planned projects to take advantage of reduced congestion/VMT levels, especially in congested metro areas. The consequence of completing projects earlier also means that funding accounts and cash balances are being depleted more quickly, as other revenues still decline, so this creates additional pressure to provide additional federal resources to sustain investment levels.

Finally, the chart shows the relative decline in federal funding commitments to metro/local areas under the STBG (formerly STP) Program during the period.

Resiliency Improvements, Environmental Protections, and Emissions Reductions

Mr. Chairman, we strongly support other provisions of your legislation, including your strengthened commitments to local areas under the Transportation Alternatives Program as well as your expanded commitments to bridge repair and safety. As a gateway between two states, Louisville understands the importance of those infrastructures in supporting workers and our local and regional economies by providing access to other U.S. cities like Cincinnati, Nashville, and St. Louis. But for our local residents, I want to convey our strong support for your new commitments to promoting climate resiliency, reducing emissions, and investing in alternative fuel infrastructure.

I especially want to thank you for sub-allocating funds to local areas in support of their various carbon emission reduction strategies. For mayors, reducing carbon emissions has been an especially high priority for several years. The focus on the transportation sector is particularly timely now that it has become the largest source of carbon emissions throughout the U.S. I can assure you that local agencies will use these funds wisely and creatively, demonstrating that reducing carbon use is also good transportation policy, as we expand multi-modal travel options, among other actions, which will curb harmful emissions in the process.

Your ATIA legislation also invests new funding in resiliency programs to protect our roads and bridges from natural disasters and extreme weather events. We applaud your support for these commitments. At our Annual Meeting last year in Boston, the Conference's membership mayors specifically adopted a resolution urging that funds for these purposes also be provided to our metro and local areas, as the STBG program provides. Mr. Chairman, I would urge you to revisit the design of this program and work to sub-allocate funds here as you have provided under the Carbon Emissions Incentive Program.

Finally, the Conference wants to indicate our support for your alternative Fuel Infrastructure Program. Cities have been working for some time in this area, and as mayors we recognize that there are substantial gaps in the available infrastructure that is needed to usher in a more diverse array transportation fuels to power our vehicles.

Closing

Mr. Chairman, Ranking Member and Committee Members, we support your efforts to advance legislation renewing the nation's surface transportation law. I encourage you to provide additional funding and additional commitment to local areas and their decision-makers as we seek to maintain and expand our vital surface transportation systems.

On behalf of the Conference of Mayors and its members, I want to express our appreciation for the opportunity to share our views and join with you this morning. I would be pleased to answer any questions you may.