



# TXDOT Revenue and Expenditure Trends

**CTR Symposium**

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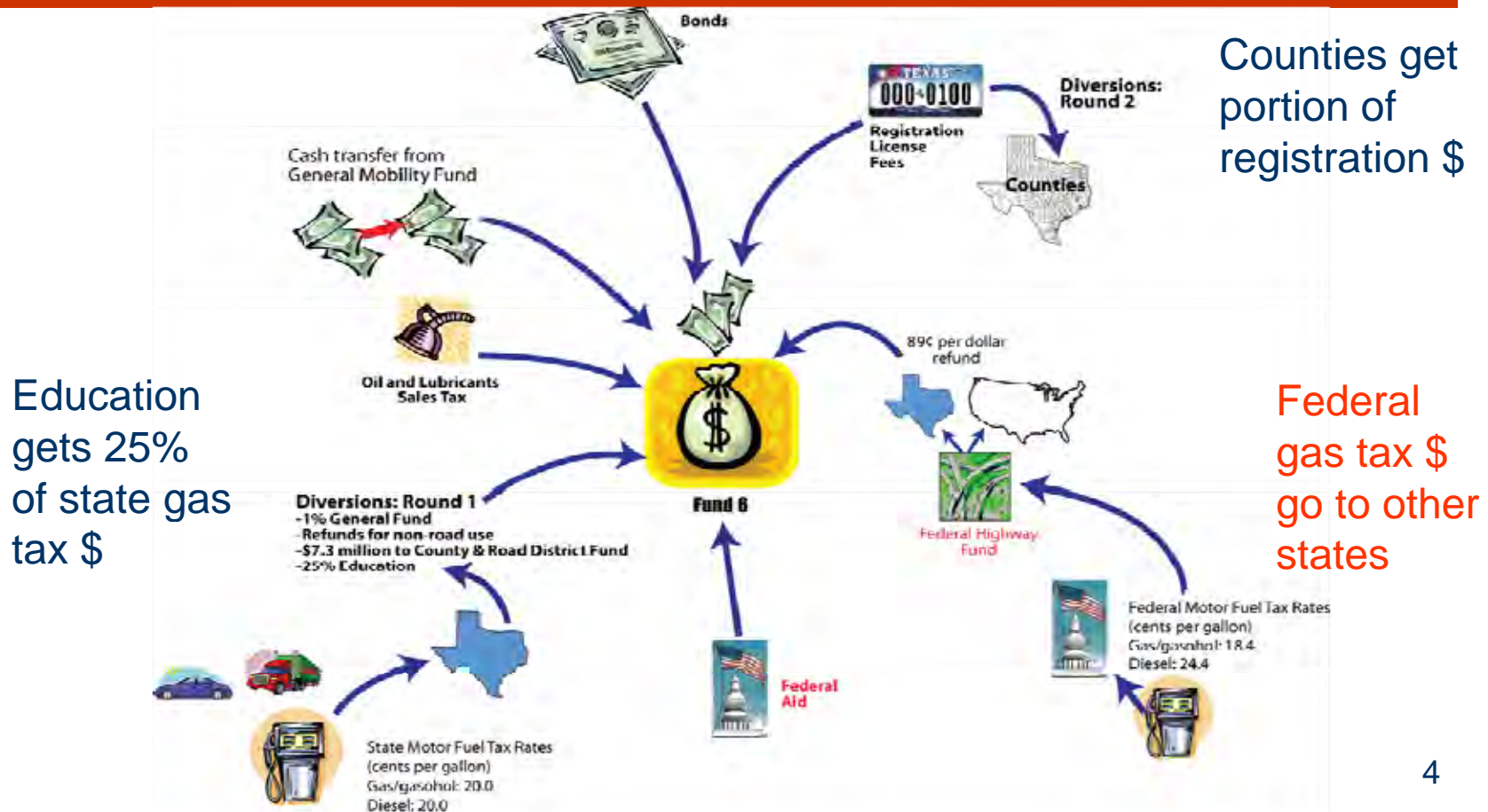
# Introduction

- Transportation revenue sources still at 1993 levels
- Diversions to non-transportation uses
- Need to consider other revenue options

# Texas Transportation Funding Sources

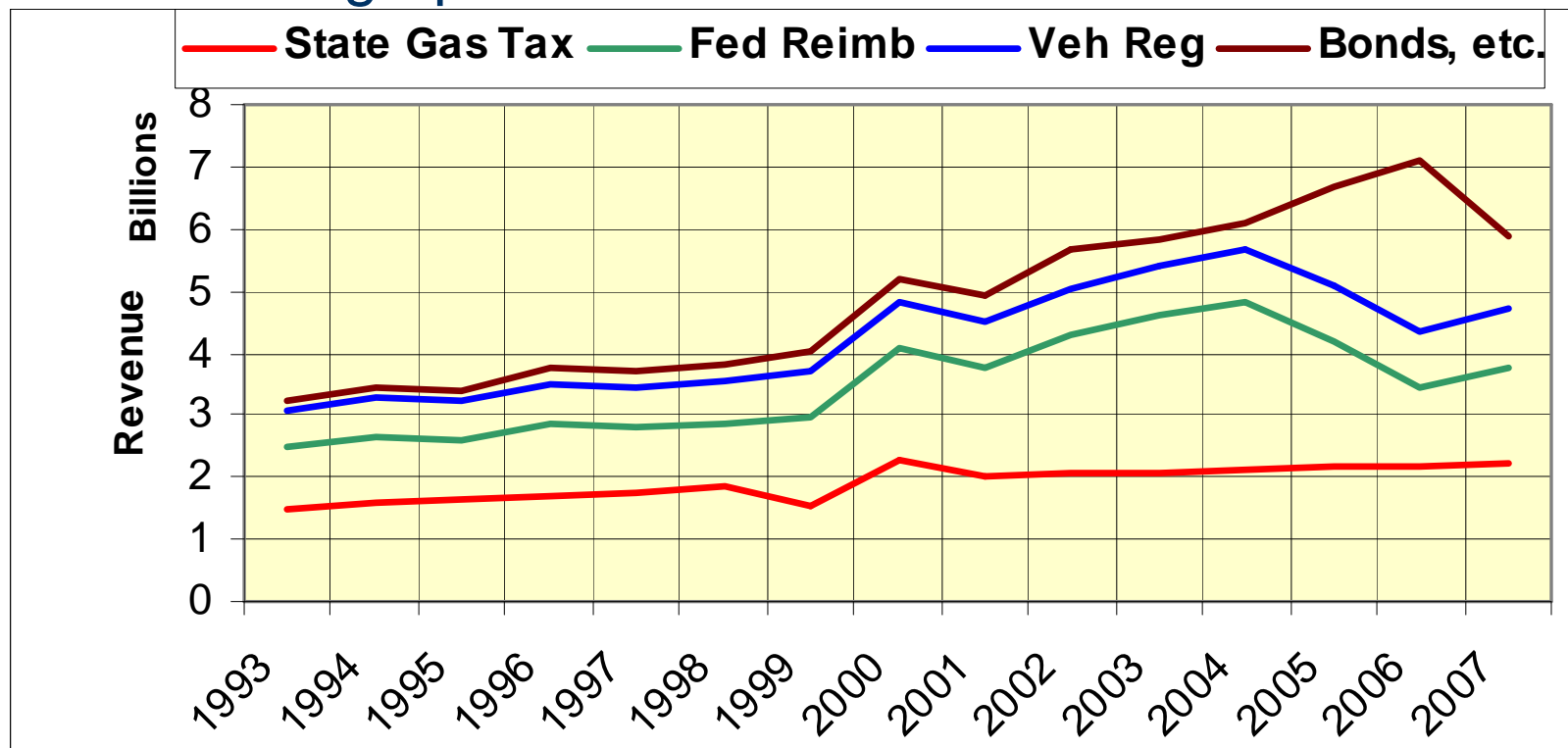
- Three major revenue sources –
  - State motor fuel taxes
  - State vehicle registration fees
  - Federal aid (based on federal fuel taxes)
- Other sources
  - Tolls, concessions, fees, fines
  - General revenue
  - Local participation
- Financing options (not revenue)
  - Bonds and loans; private investment

# Diversions of Revenues before reaching the State Highway Fund



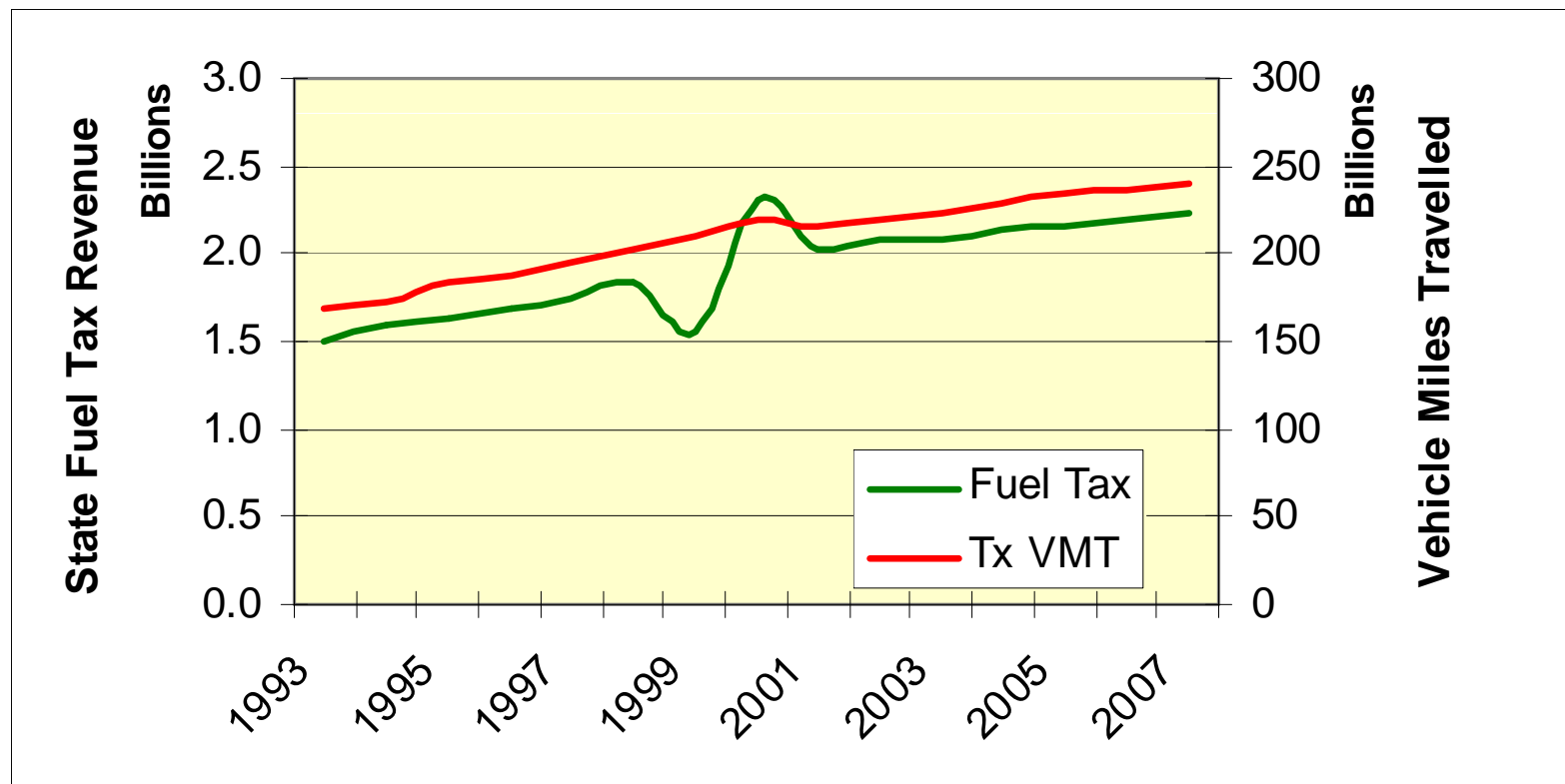
# Total State Highway Fund Revenue

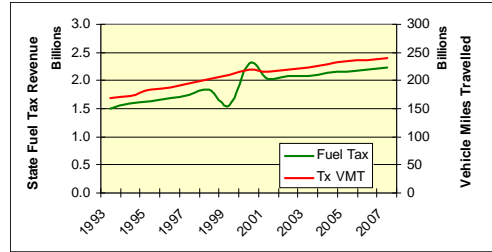
## ■ Stacked graph



Source: Texas Comptroller, Annual Cash Report

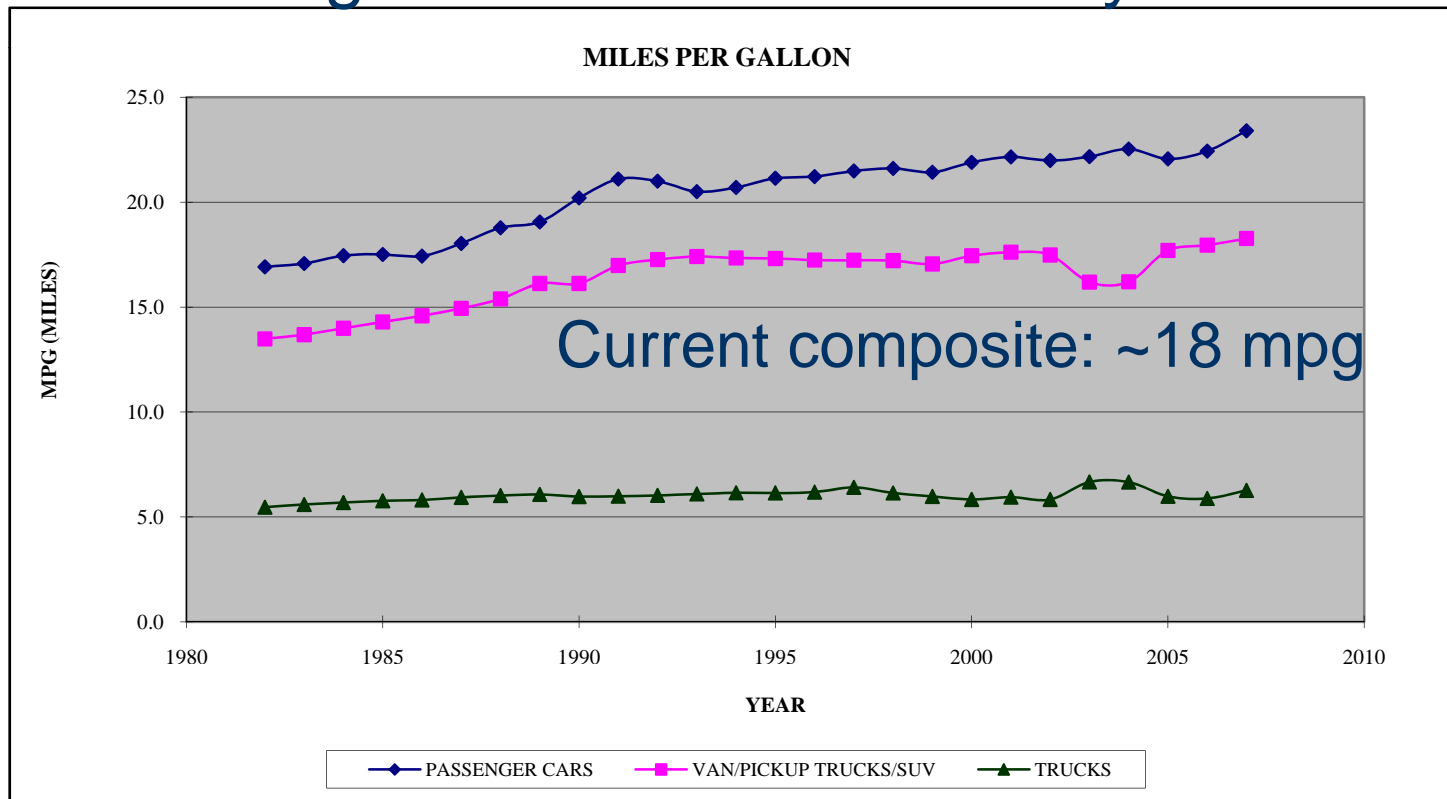
# Fuel Tax Revenue and VMT over time





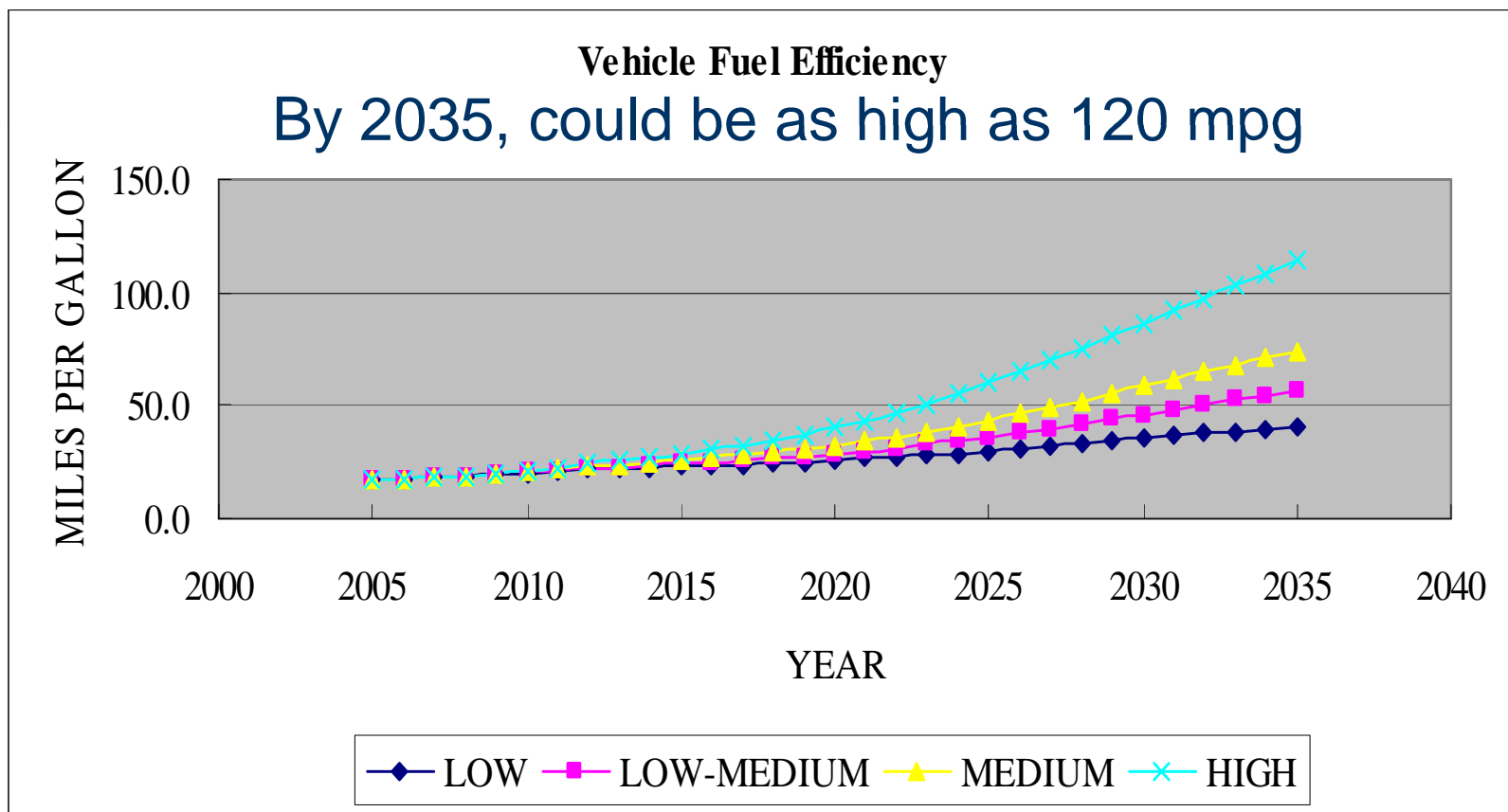
# Fuel Tax Revenue- Why it is flat

## Increasing Vehicle Fuel Efficiency



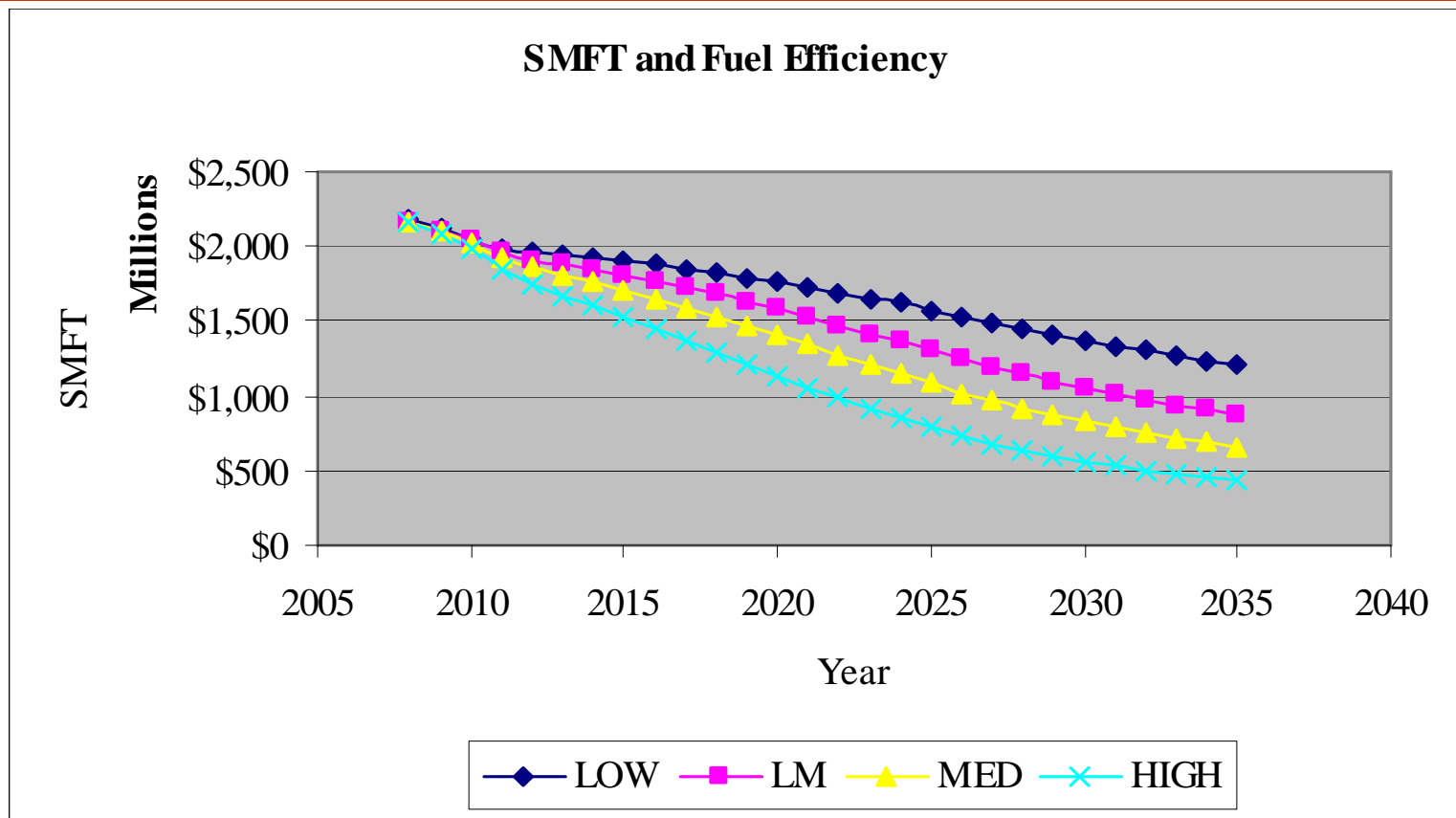
Source: U.S. Department of Energy, Energy Information Administration, Annual Energy Review 2007

# Fuel Efficiency Projection



Source: Cambridge Systematics

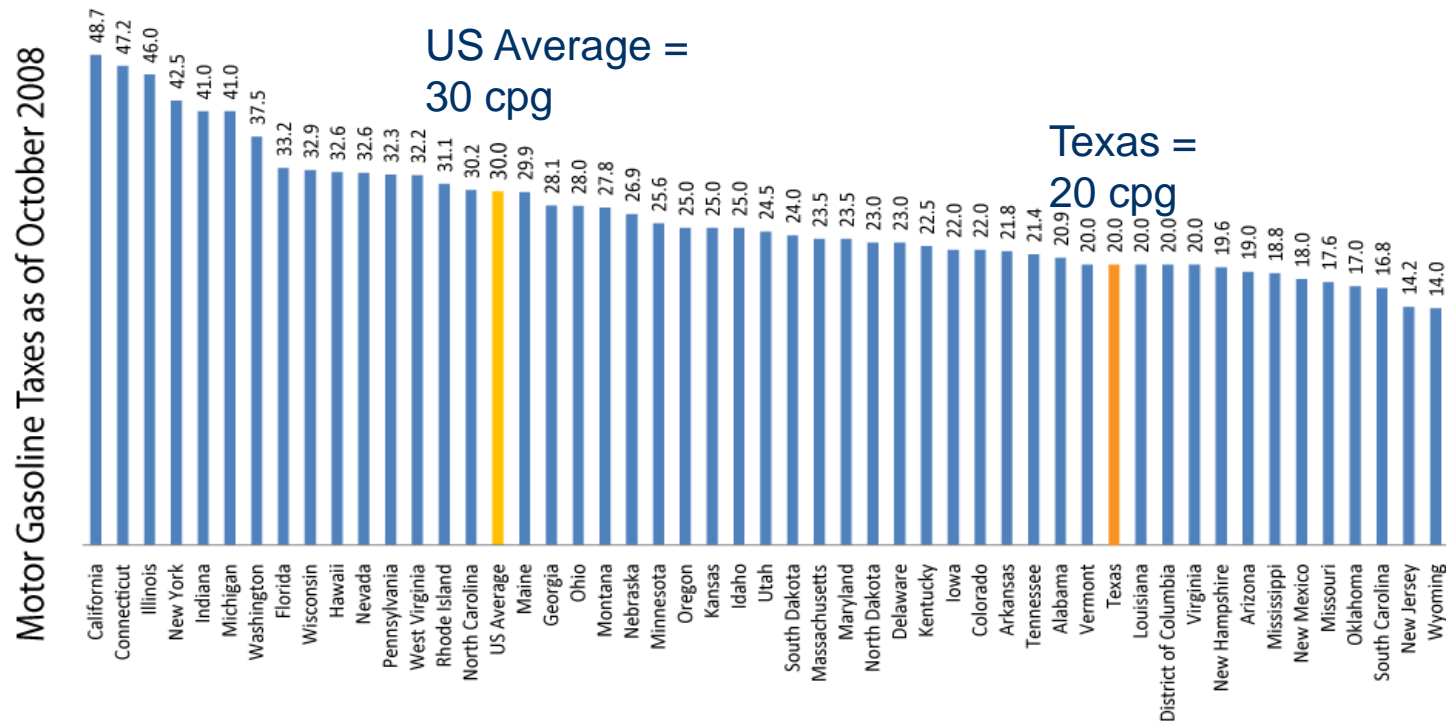
# Effect of Fuel Efficiency on Tax Revenues— Under some scenarios



Source: Cambridge Systematics

# Texas Fuel Tax Rates- low

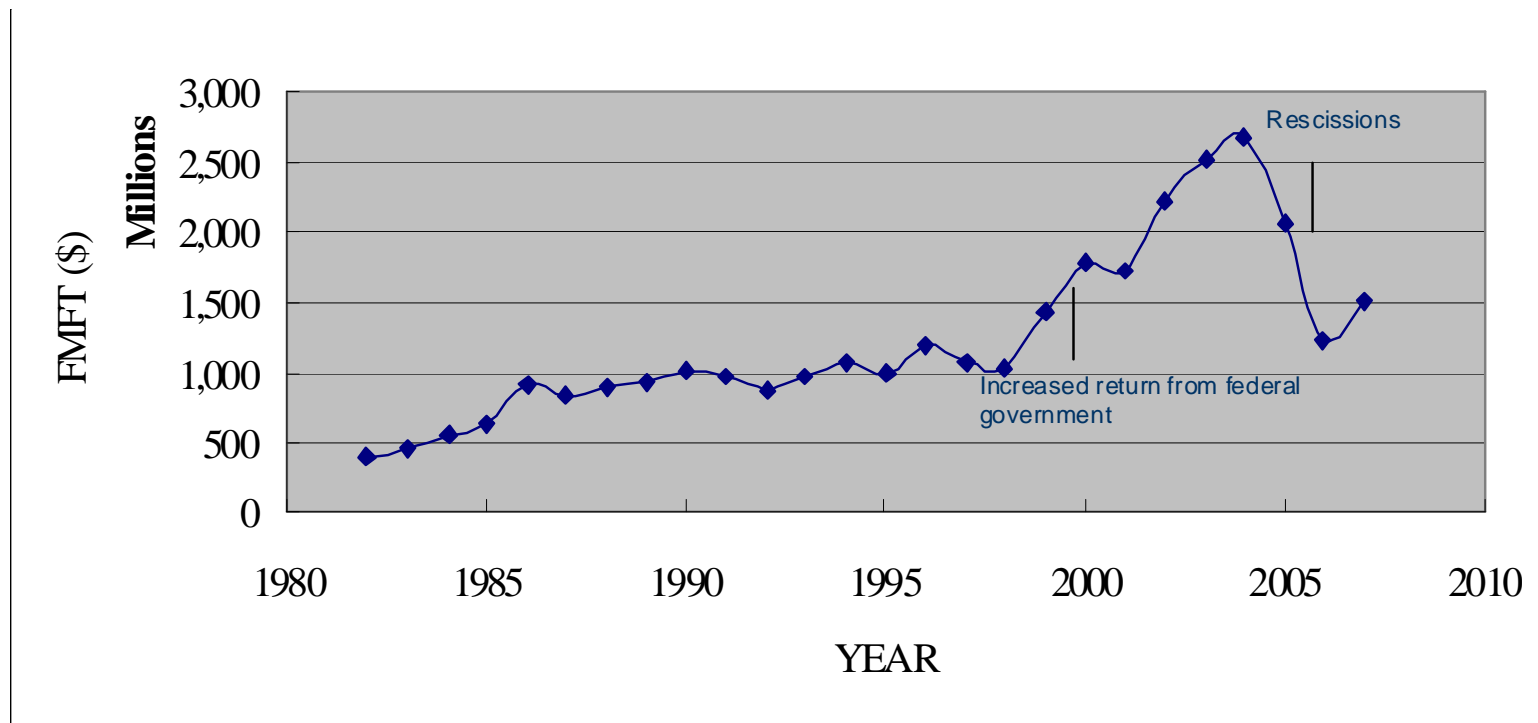
- Texas is well below the national average



Source: API, 2008

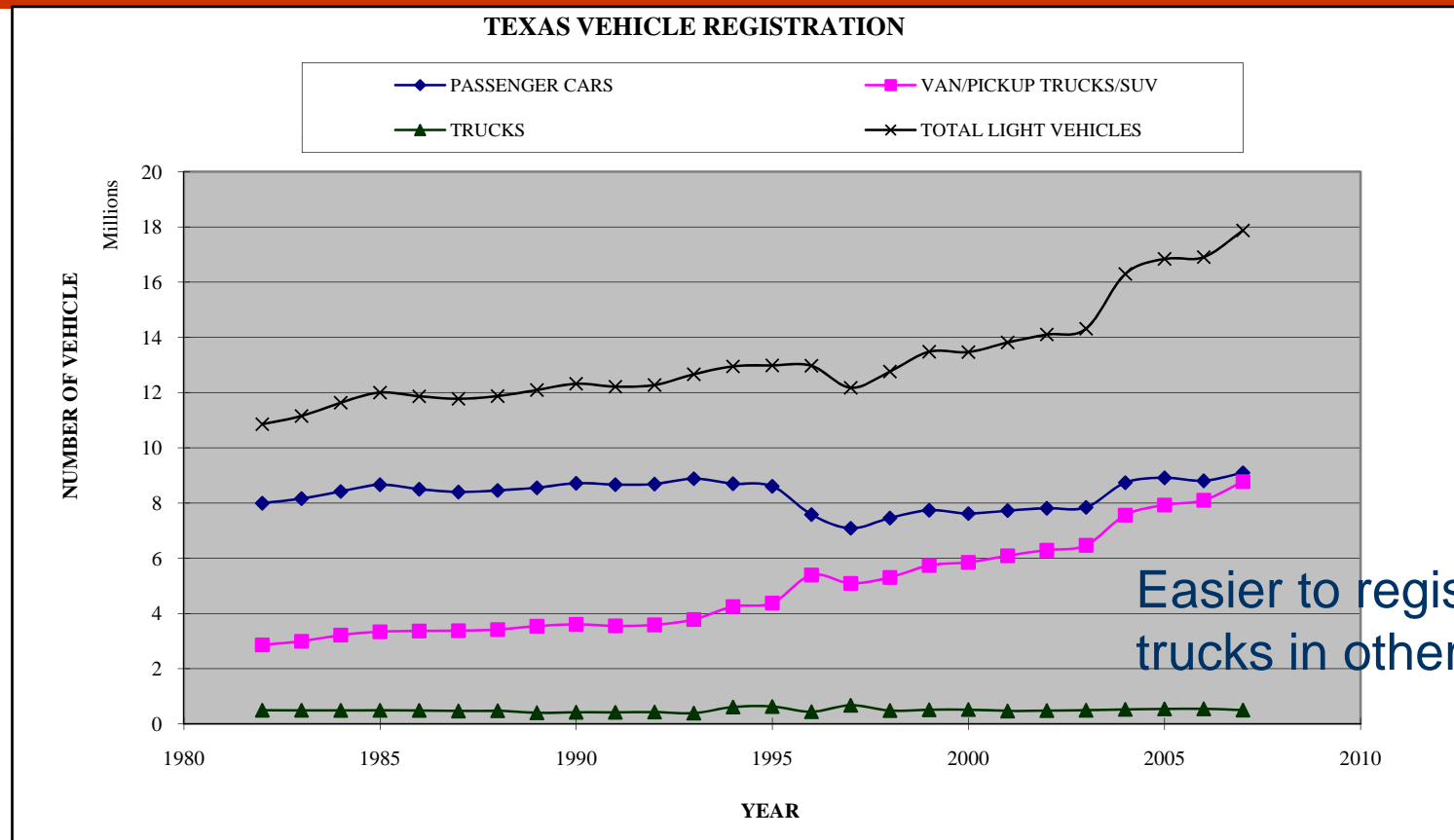
# Federal Reimbursements

- Historically, Texas gets ~80 cents per \$ paid



Source: TXDOT: Actual Cash Revenue and Expenditure 1982-2008

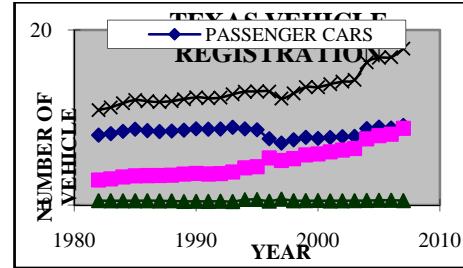
# Motor Vehicle Registrations over time



Easier to register  
trucks in other states

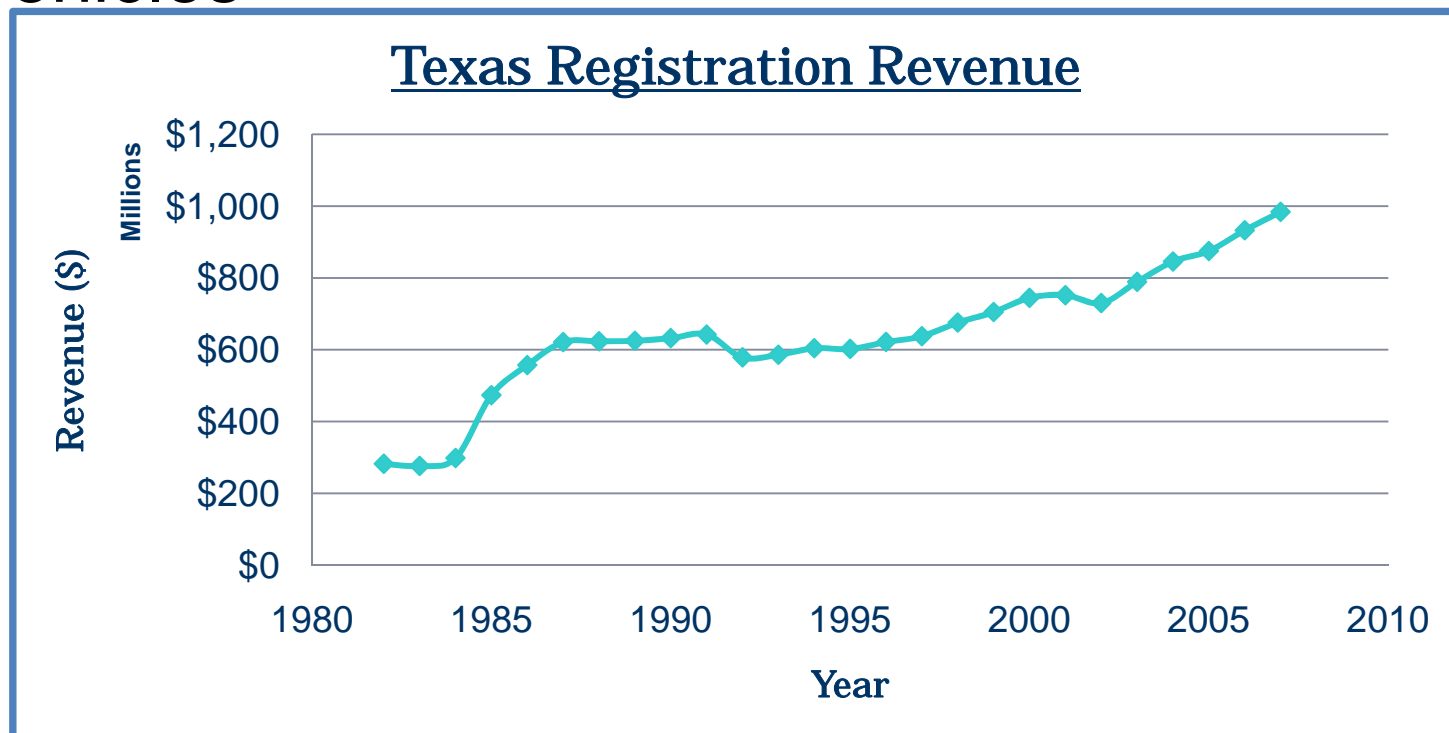
\*1996 – 1997 some passenger vehicles reclassified as SUVs

Source: USDOT Federal Highway Administration: Highway Statistics 1982-2007



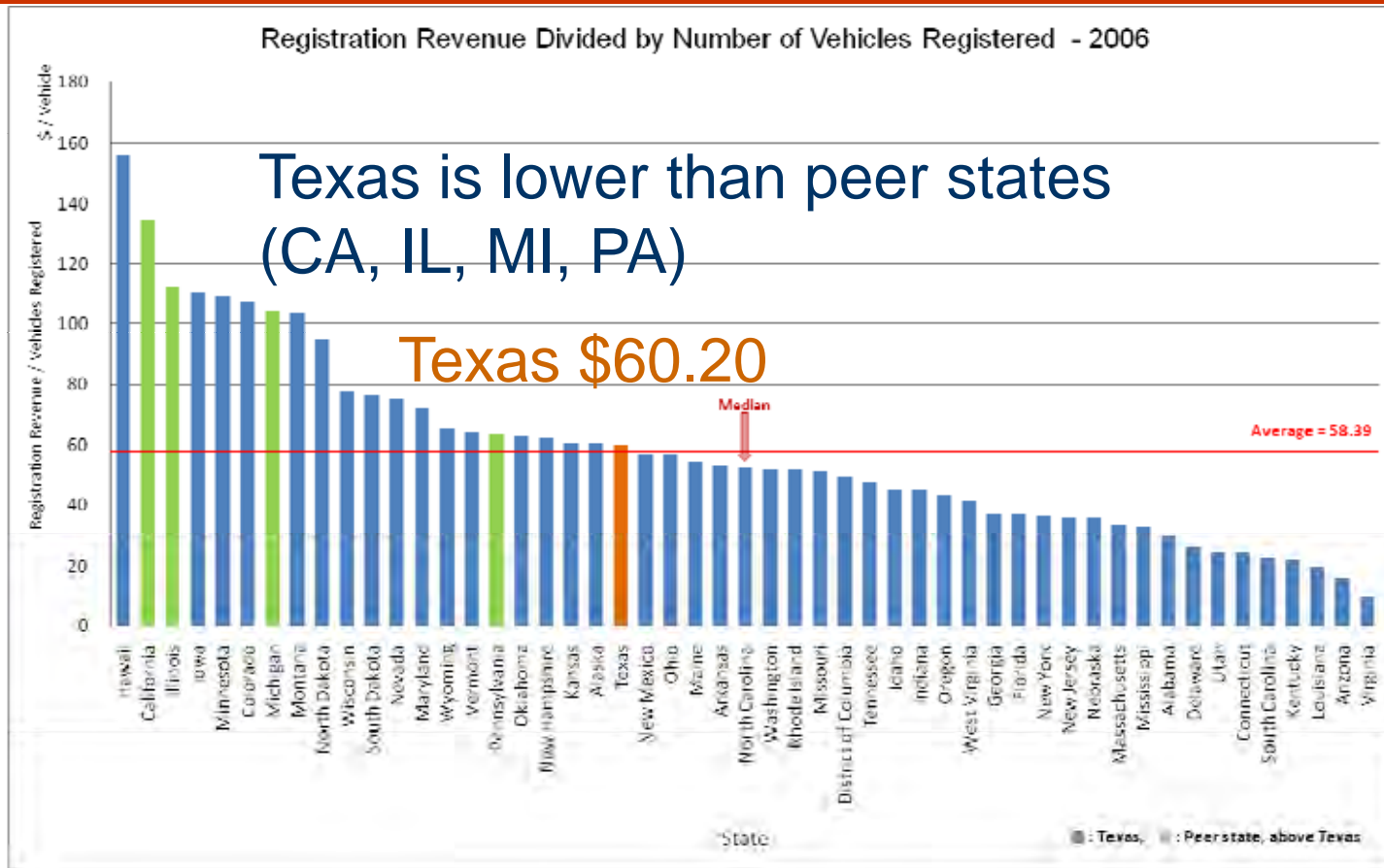
# Motor Vehicle Registration Revenue

- Consistent with number of registered vehicles



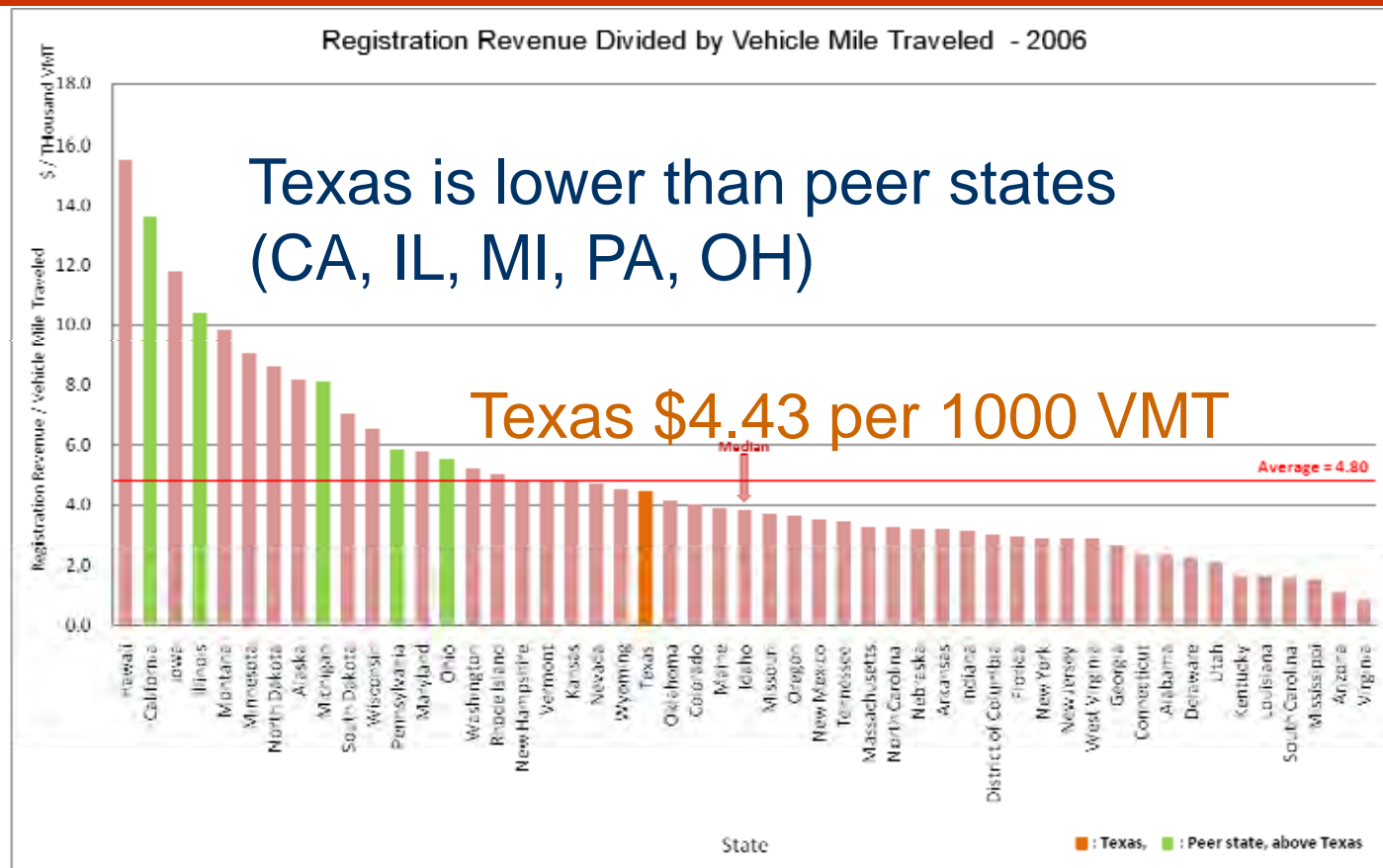
Source: U.S. DOT Federal Highway Administration

# Comparing Tx Registration Fees to Other States: Revenue per Vehicle Registered



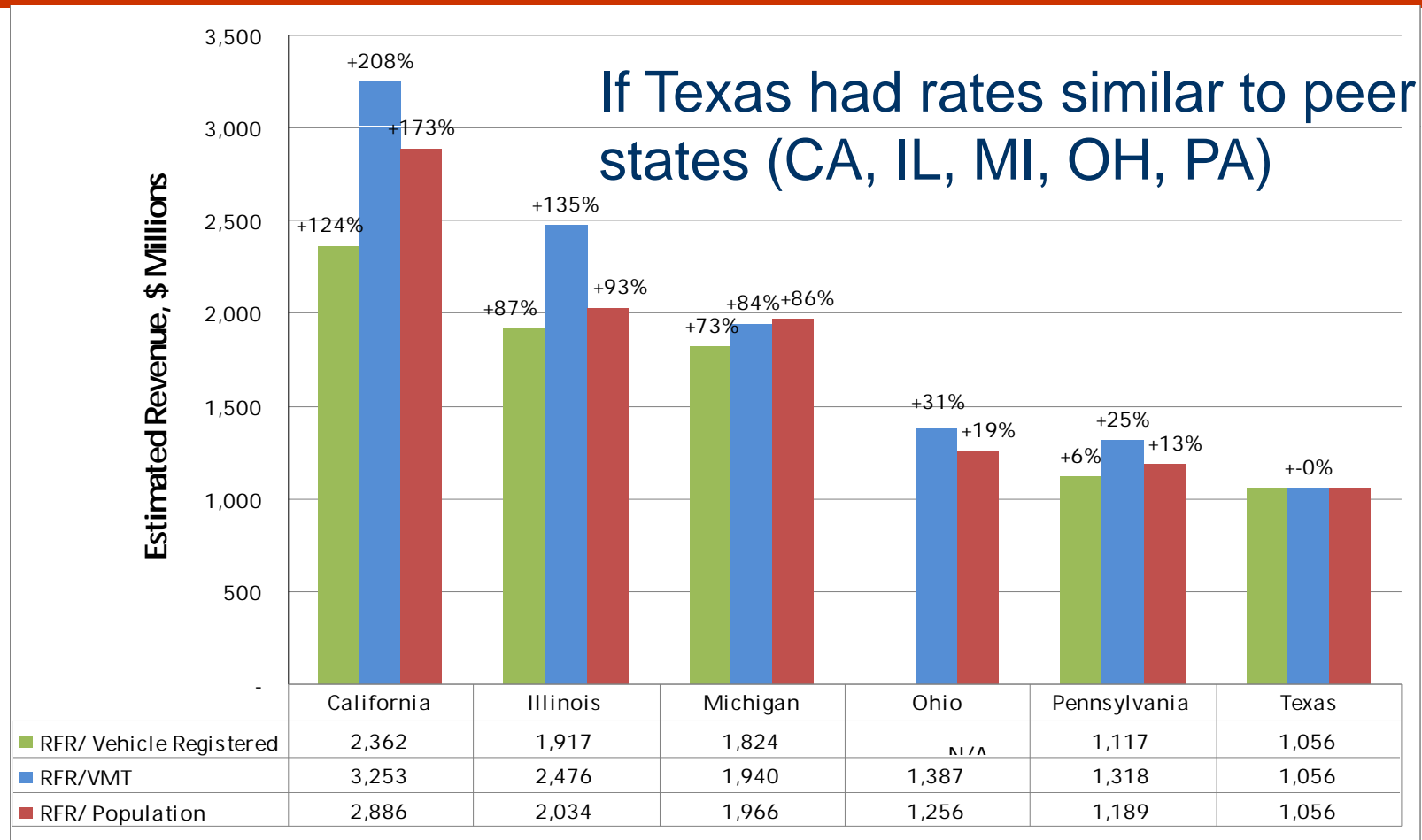
Source: Federal Highway Administration

# Texas Registration Revenue per VMT

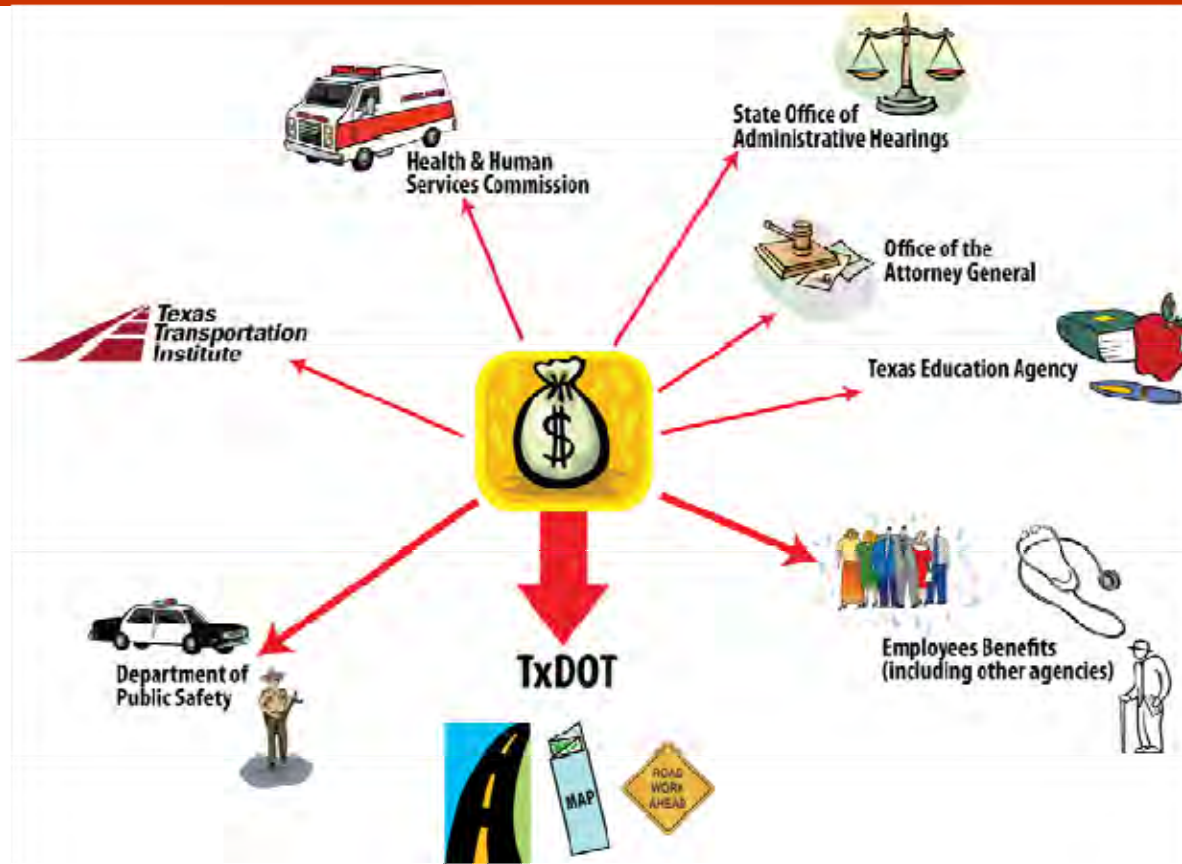


Source: Federal Highway Administration

# Possible Registration Revenues

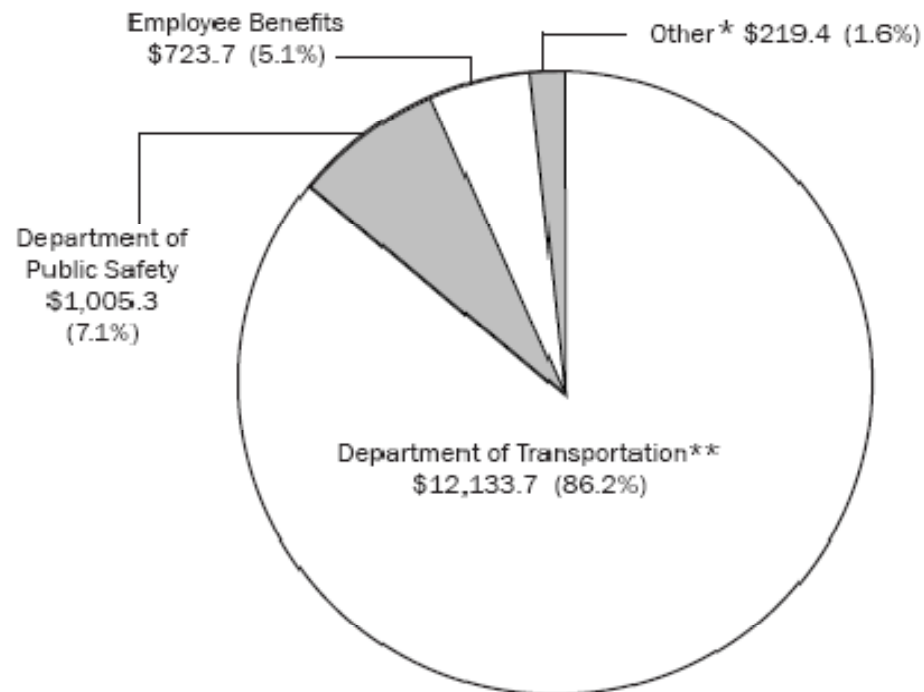


# State Highway Fund - Expenditures



## State Highway Fund - Expenditures

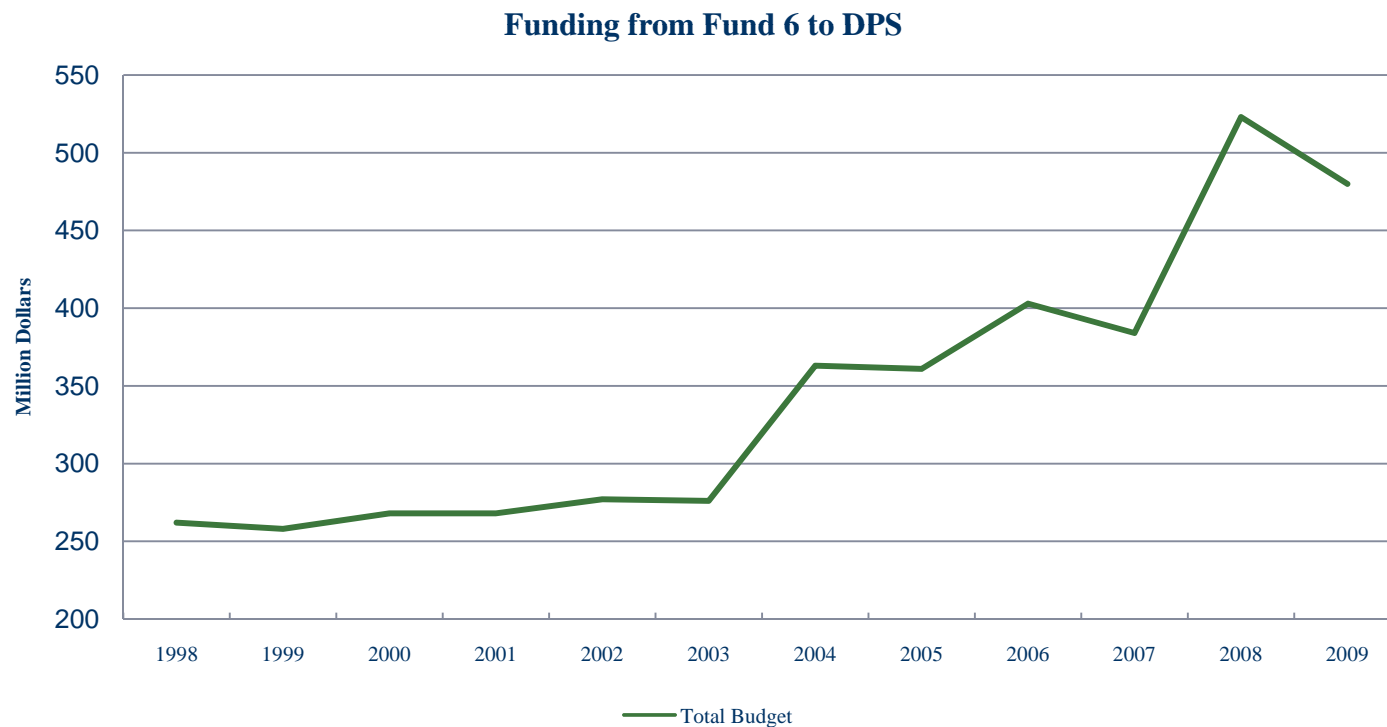
- Texas Legislative Budget Board estimate for the biennium 2008-2009



Source: Legislative Budget Board, 2008

# State Highway Fund - Expenditures

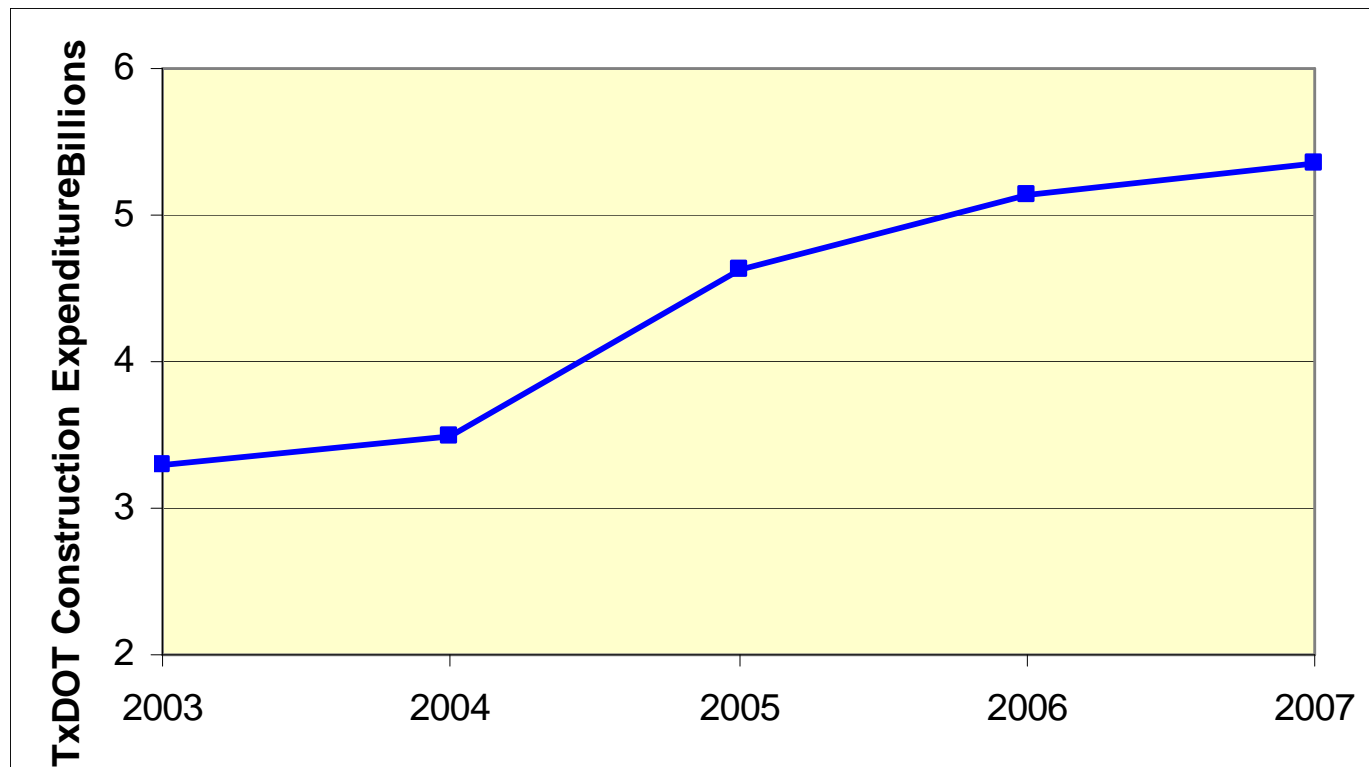
- DPS portion of Fund 6 has grown



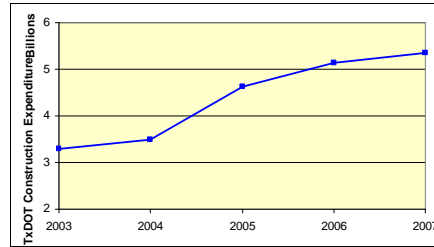
Source: Bill No. 1, General Appropriations Act

## State Highway Fund - Construction

- Highway Construction has increased.....

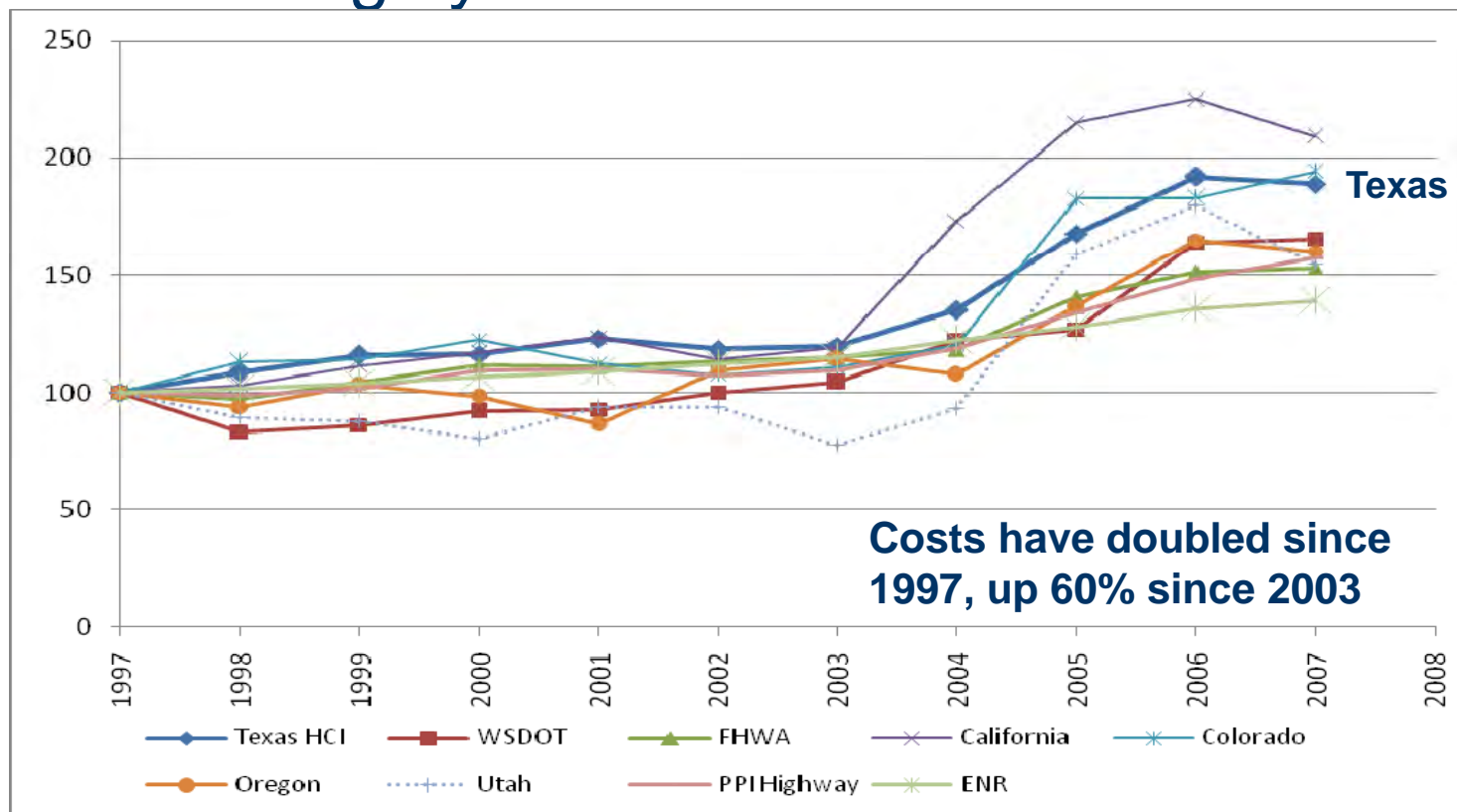


Source: Office of Comptroller, Annual Cash Report

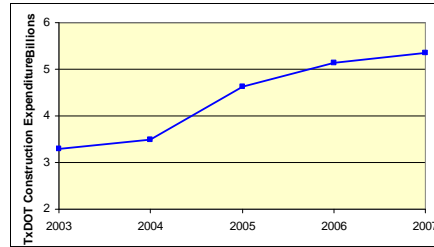


# Highway Construction Cost Indexes

.....Largely due to inflation

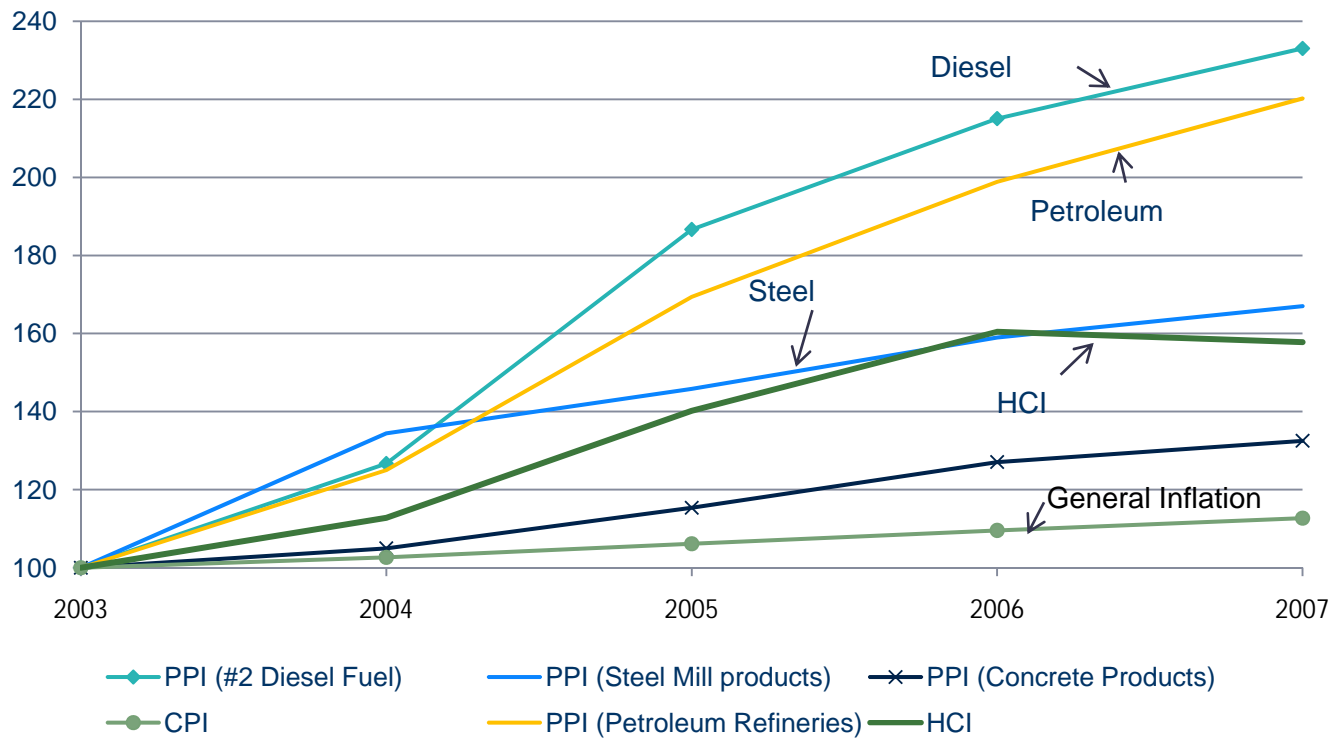


Source: TXDOT, FHWA, WSDOT, ENR, BLS



# Reasons for Construction Inflation

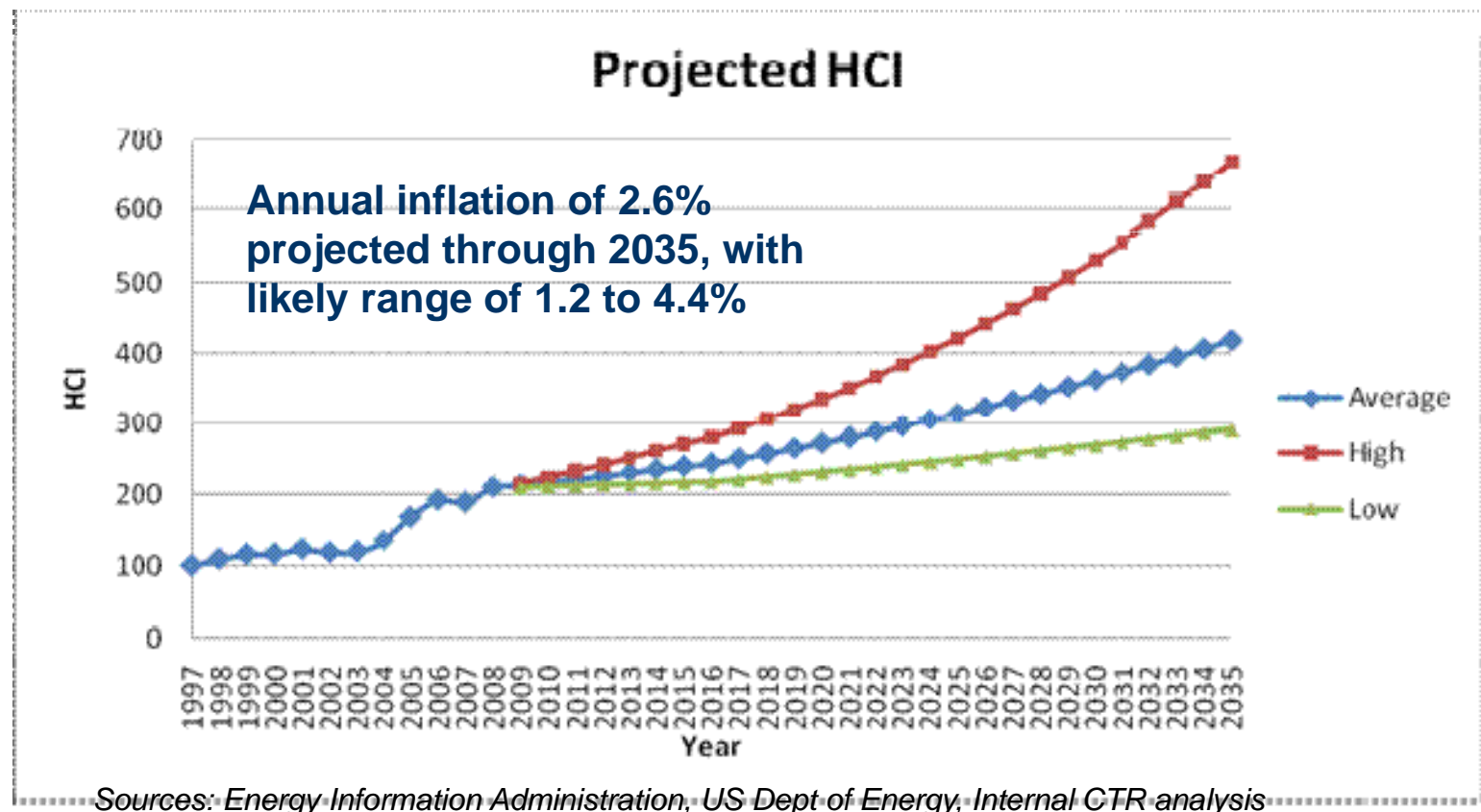
.....Mainly due to Diesel, Petroleum and Steel price increases



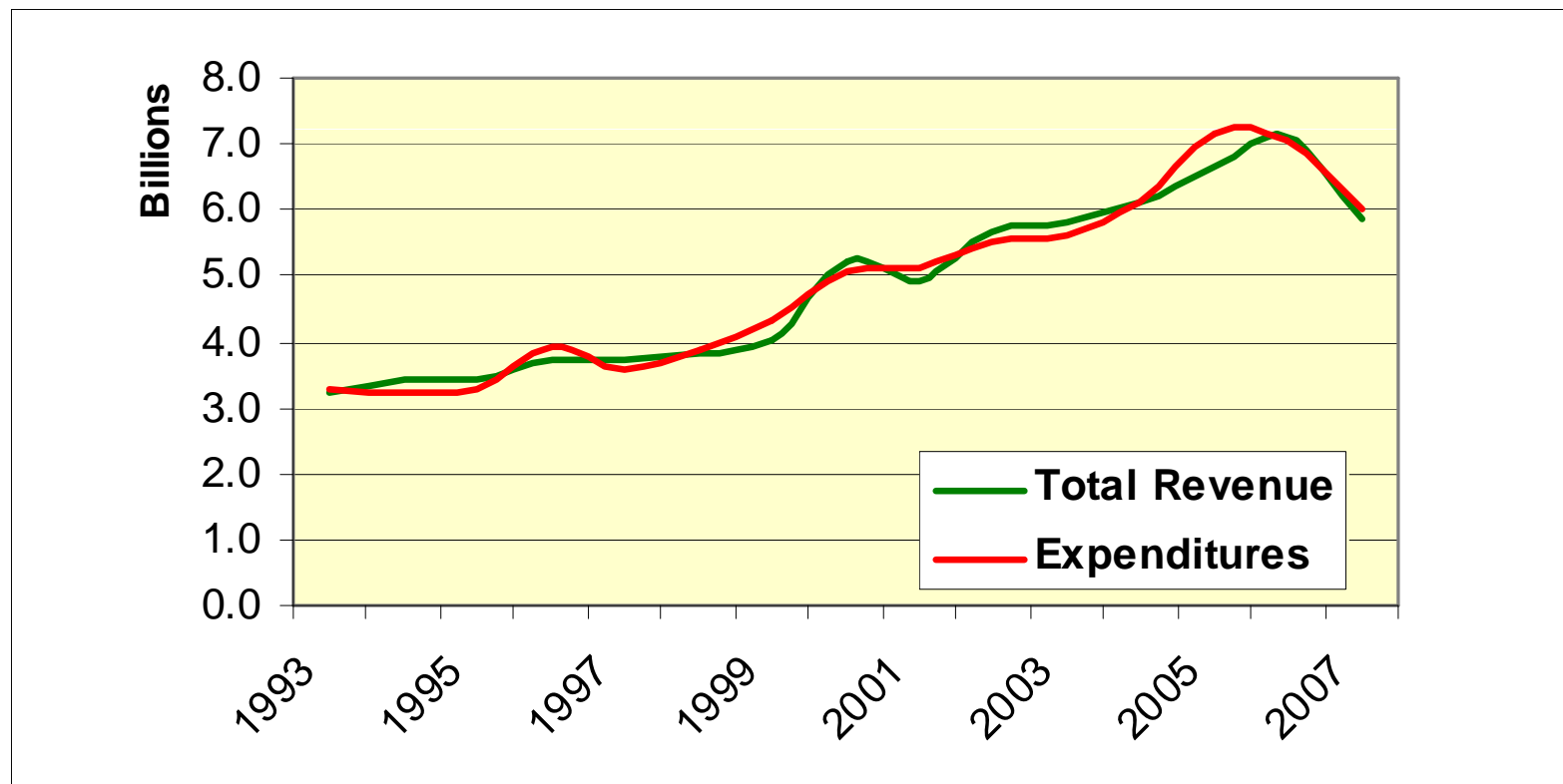
Source: Bureau of Labor Statistics, TXDOT

# Buying power halved by 2035

.....but those prices have moderated, and we will probably have lower construction inflation in future

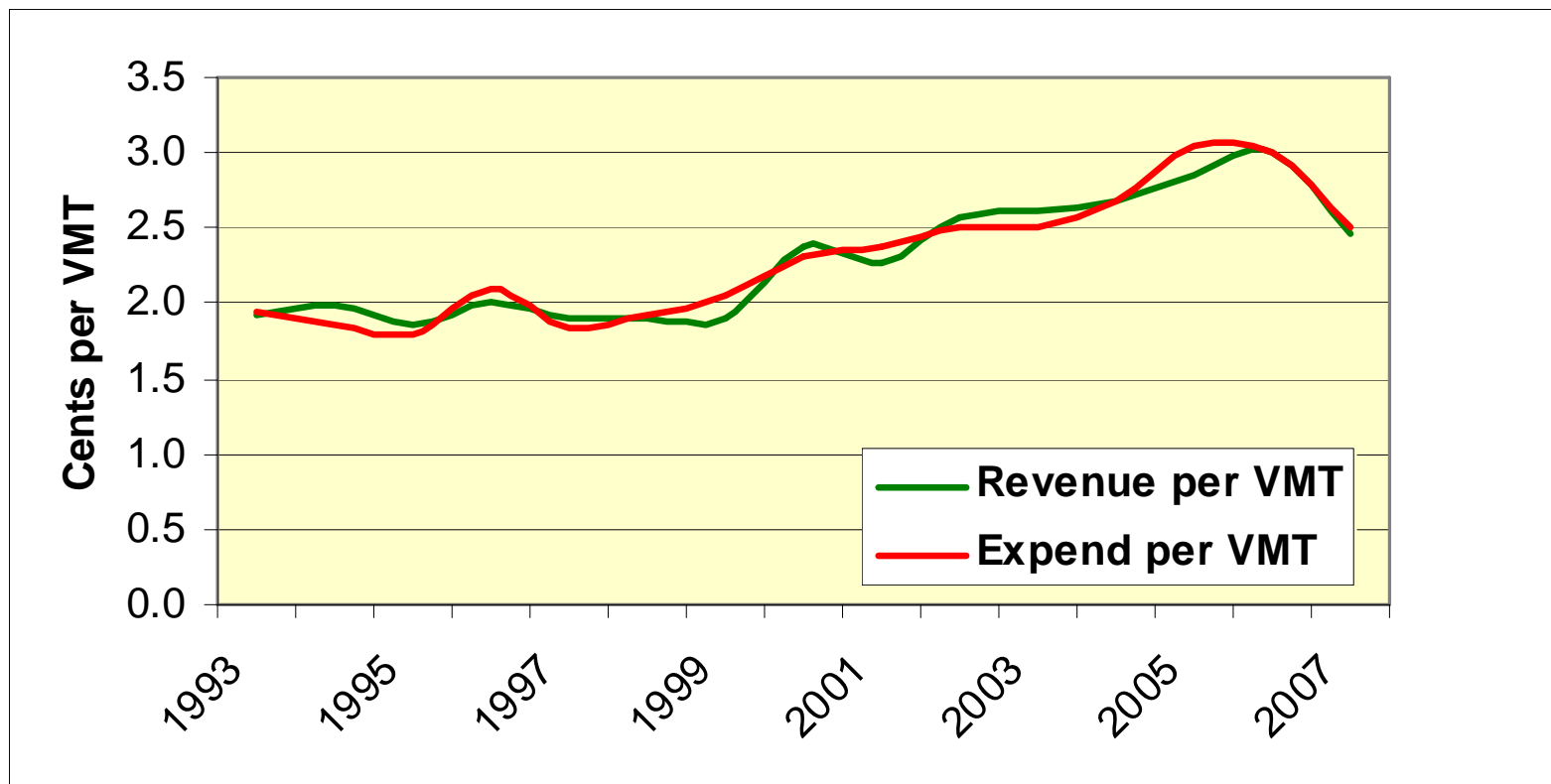


# State Highway Fund – Revenue and Expenditure



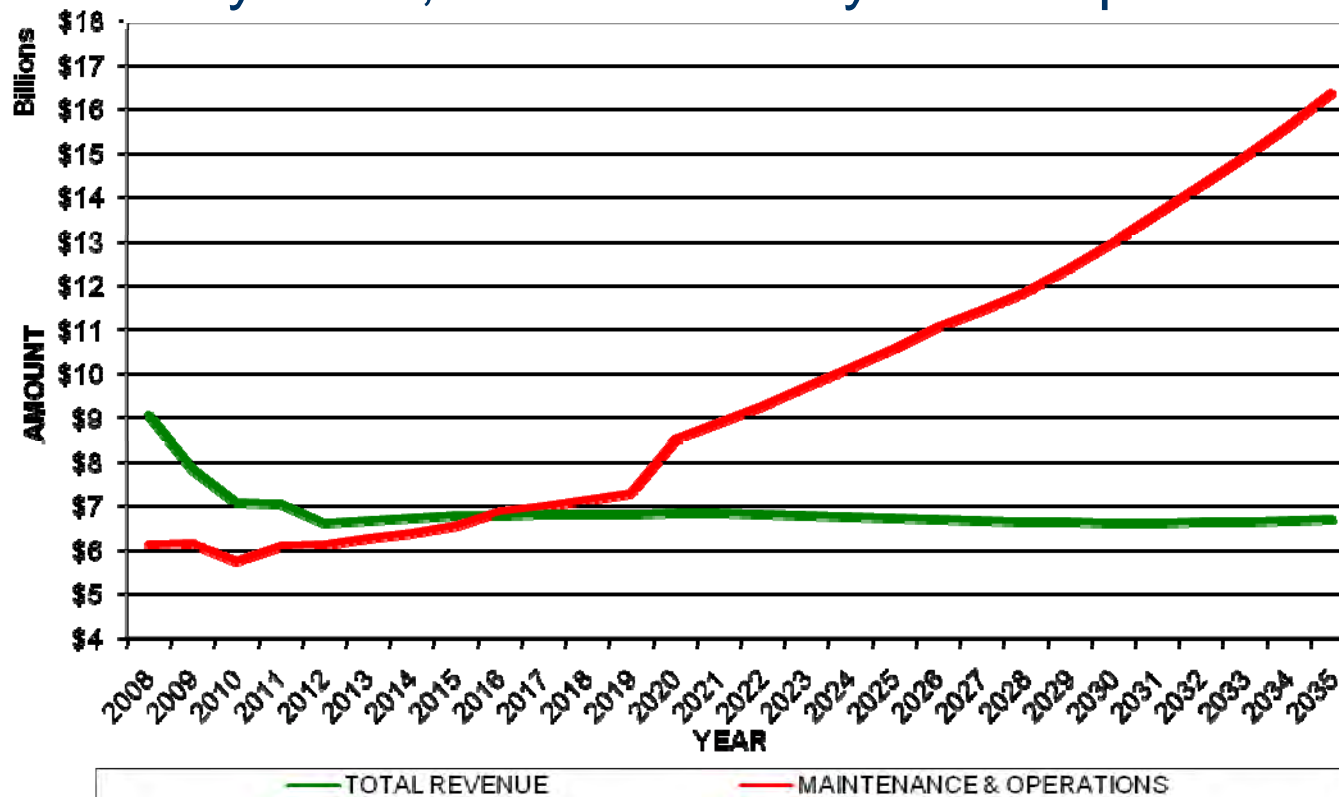
# State Highway Fund – Revenue and Expenditure per VMT

Compare to toll road rates of 10-20 cents per mile



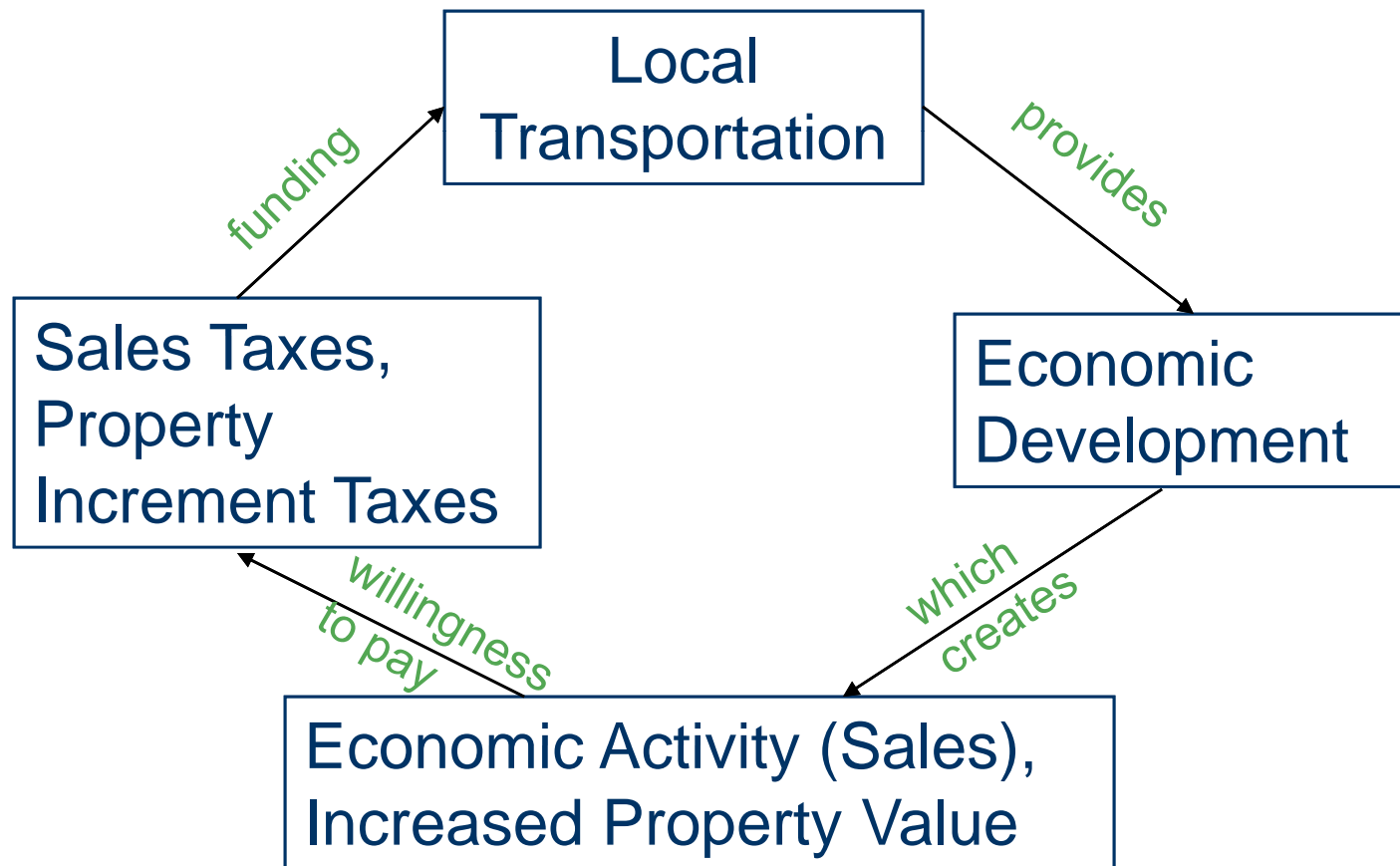
# Projected Revenue and M&O (One possible scenario)

- By 2016, no funds for system expansion

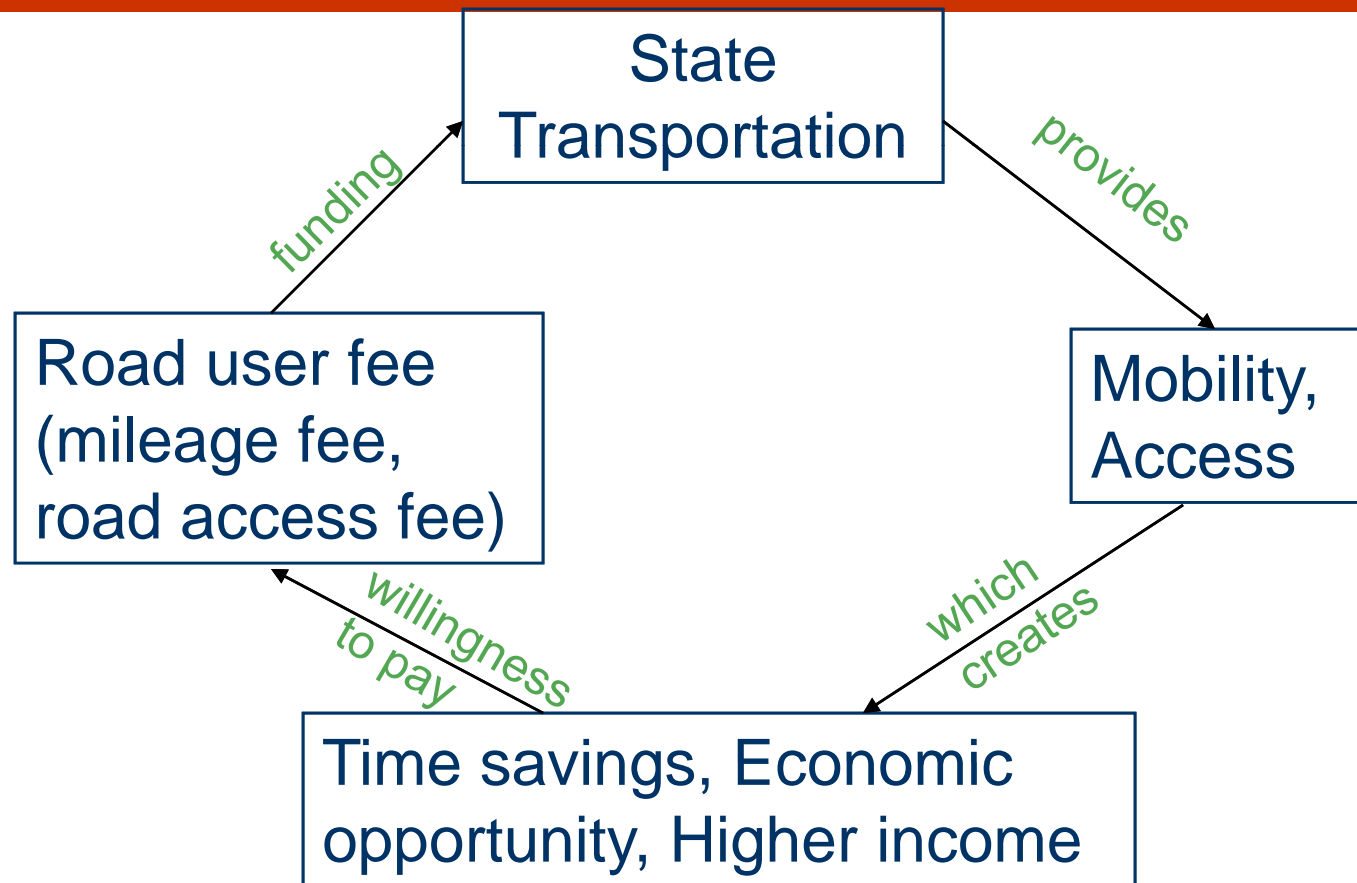


Source: J.A.C.K. Model

## Revenue Options- Local: benefits translate into funding



# Revenue Options- State: benefits translate into funding



## Conclusion

- Revenue sources have stayed at 1993 levels
  - Not growing with demand and inflation
  - Texas rates are below peer states
- Diversions to non-transportation uses
  - 25% of state gas tax to education
  - Public safety (DPS), other agencies
- Need to consider other funding options
  - E.g., road user fees; local funding