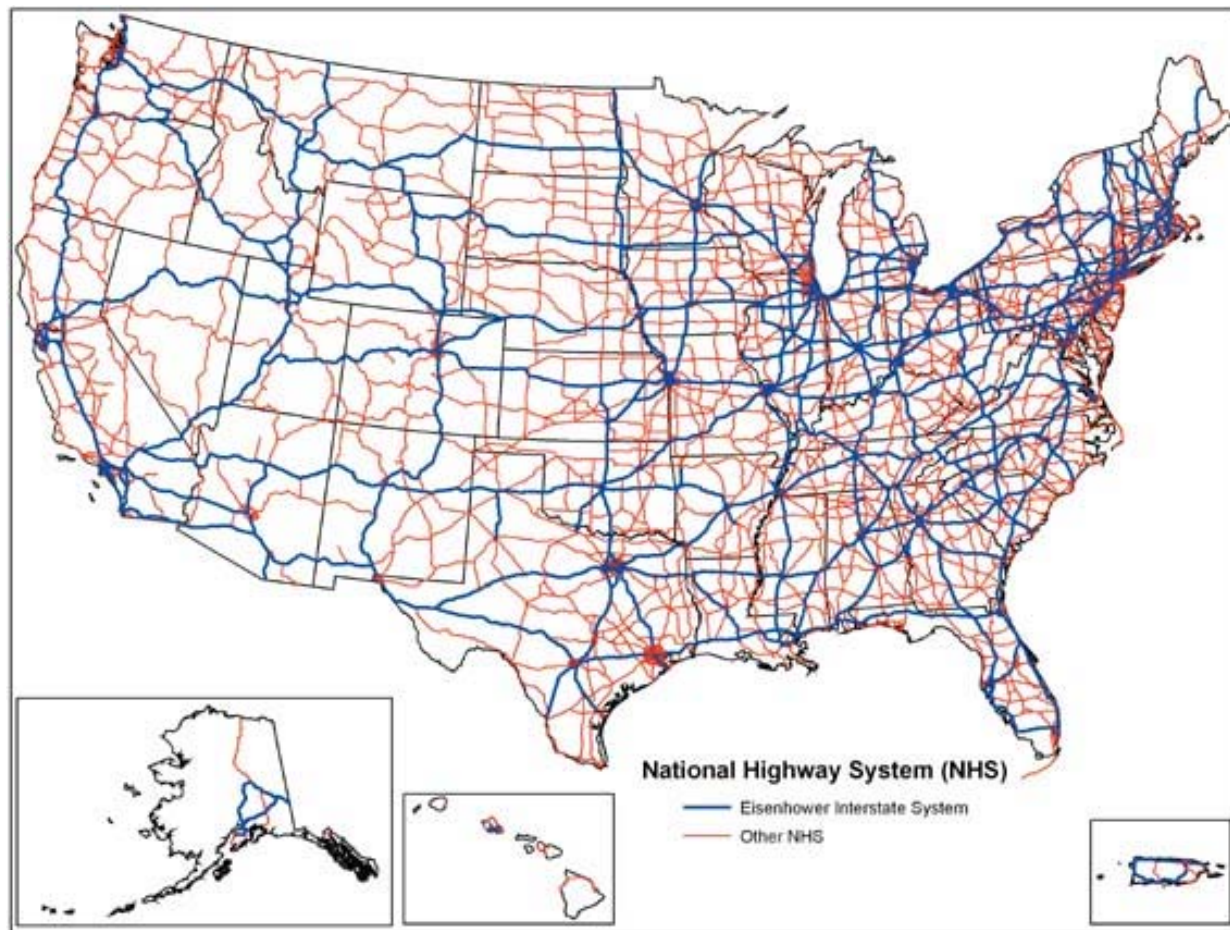


# Federal Funding for Roads, Bridges, Transit



# National Highway System

---





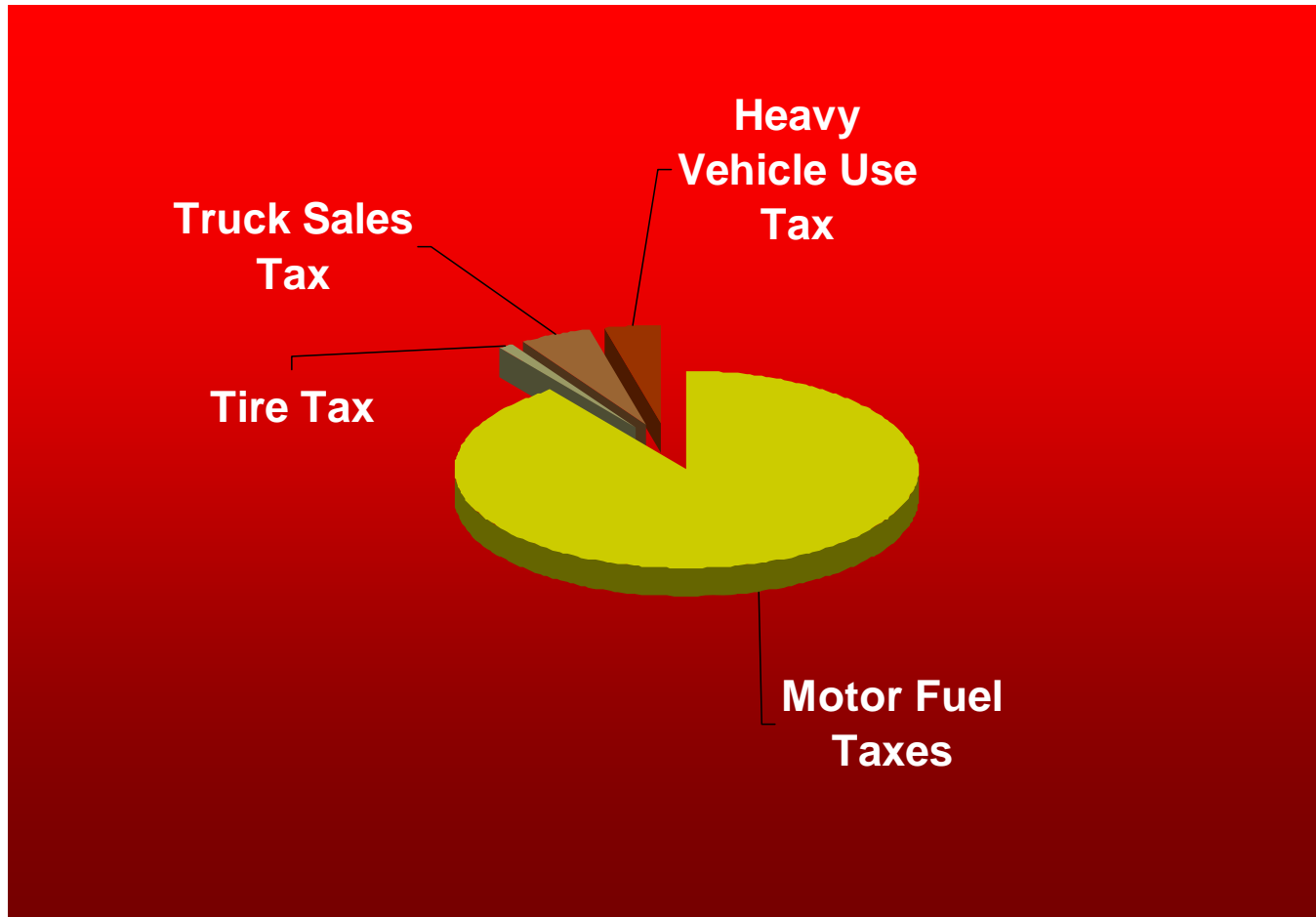
# Funding Sources

---

- Federal funds
  - Federal Highway Administration
  - Federal Transit Administration
  
- State—Highway Tax Distribution Fund
  
- County and city—mill levies and other (?)

# Federal Highway Trust Fund Revenues

---





# Federal Highway Trust Fund Outflows

---

- Two accounts for designated programs
  - Highways
  - Mass Transit
  
- 90% of 2007 outlays to Federal-Aid Highway Program

# Federal Fuel Taxes

---

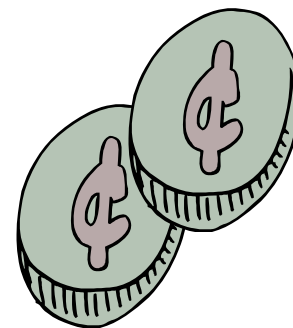


- Gasoline: 18.4¢ per gallon (constant since 1993)
  - 15.44¢ to Highway Trust Fund
  - 2.86¢ to Mass Transit Account
  
- Diesel: 24.4¢ per gallon (constant since 1993)
  - 21.44¢ to Highway Trust Fund
  - 2.86¢ to Mass Transit Account

# State Fuel Tax

---

- 23¢/gal on gas and gasohol
  - Increased 2¢ in 1997 and again in 2005
  
- Revenue goes to State Highway Tax Distribution Fund





# Federal Highway Trust Fund Shortfall

---

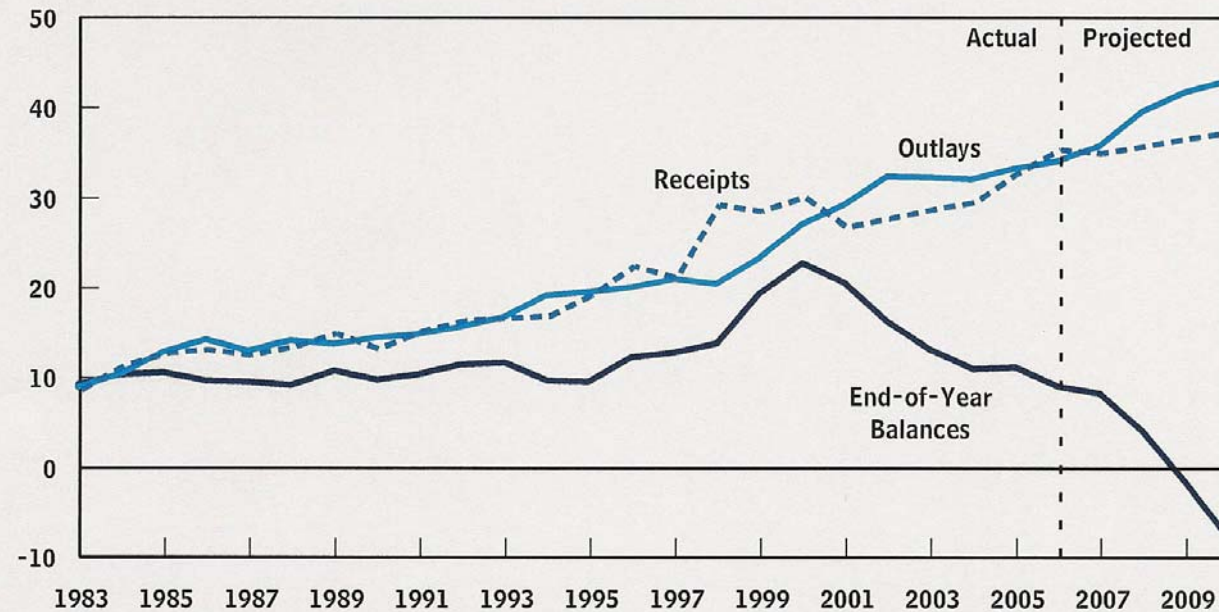
- Trust Fund spending has been outpacing revenues
- \$1.1 billion shortfall predicted for 2009
- Could result in \$100 million cut to ND and tighter restrictions on use of funds



# Federal Highway Account

## The Highway Account, 1983 to 2010

(Billions of dollars)

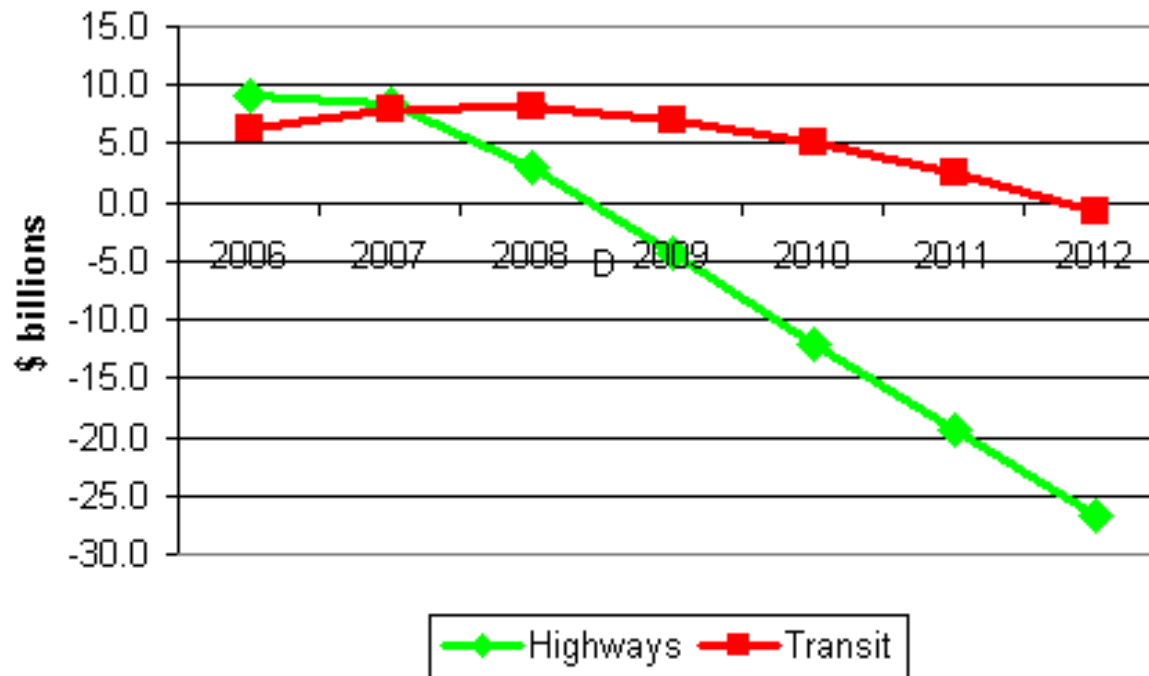


Source: Congressional Budget Office.

Note: Receipts are adjusted to remove the effects of a legislated shift in payment dates that reduced receipts by \$5 billion in 1998 and increased them by the same amount in 1999.

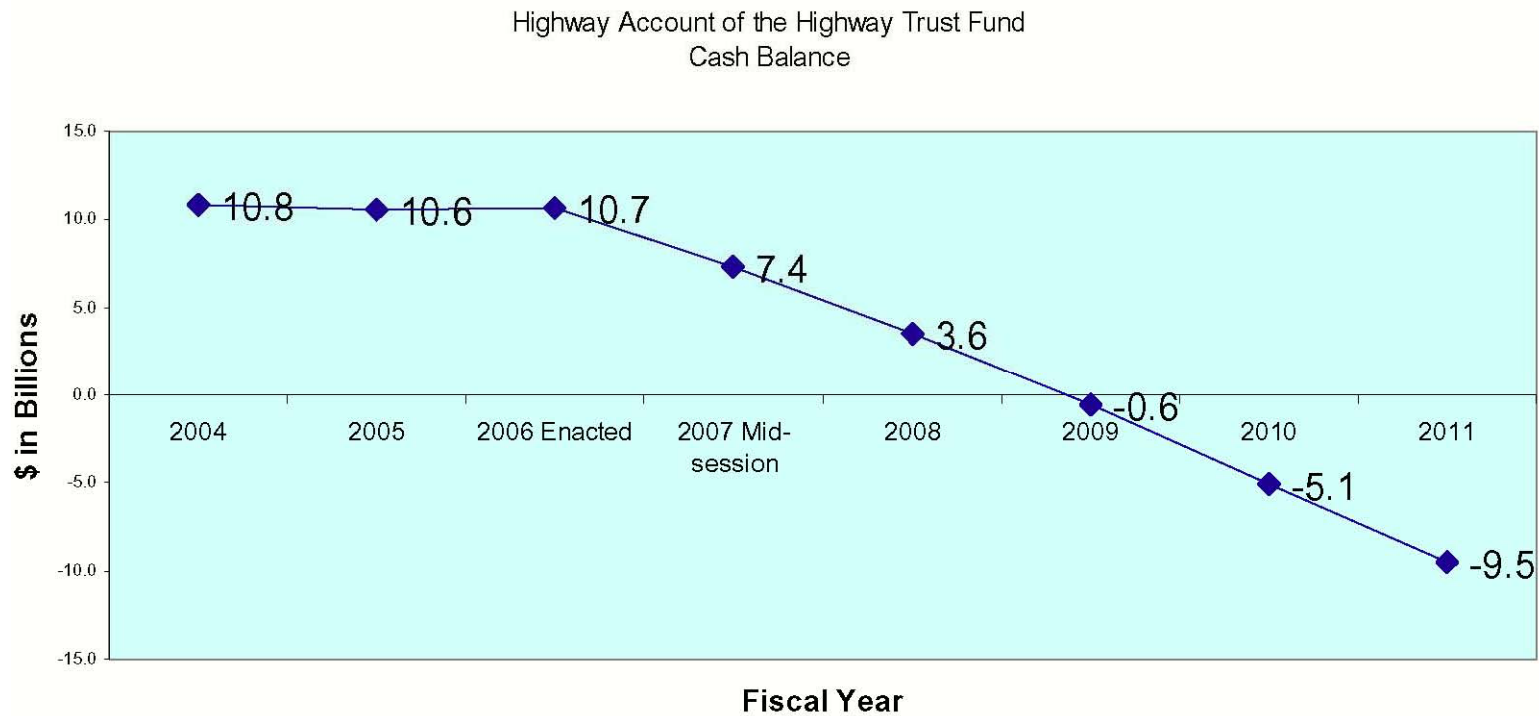
# Projected Balances— Highway and Transit Accounts

*Assuming no change in revenues or program levels*



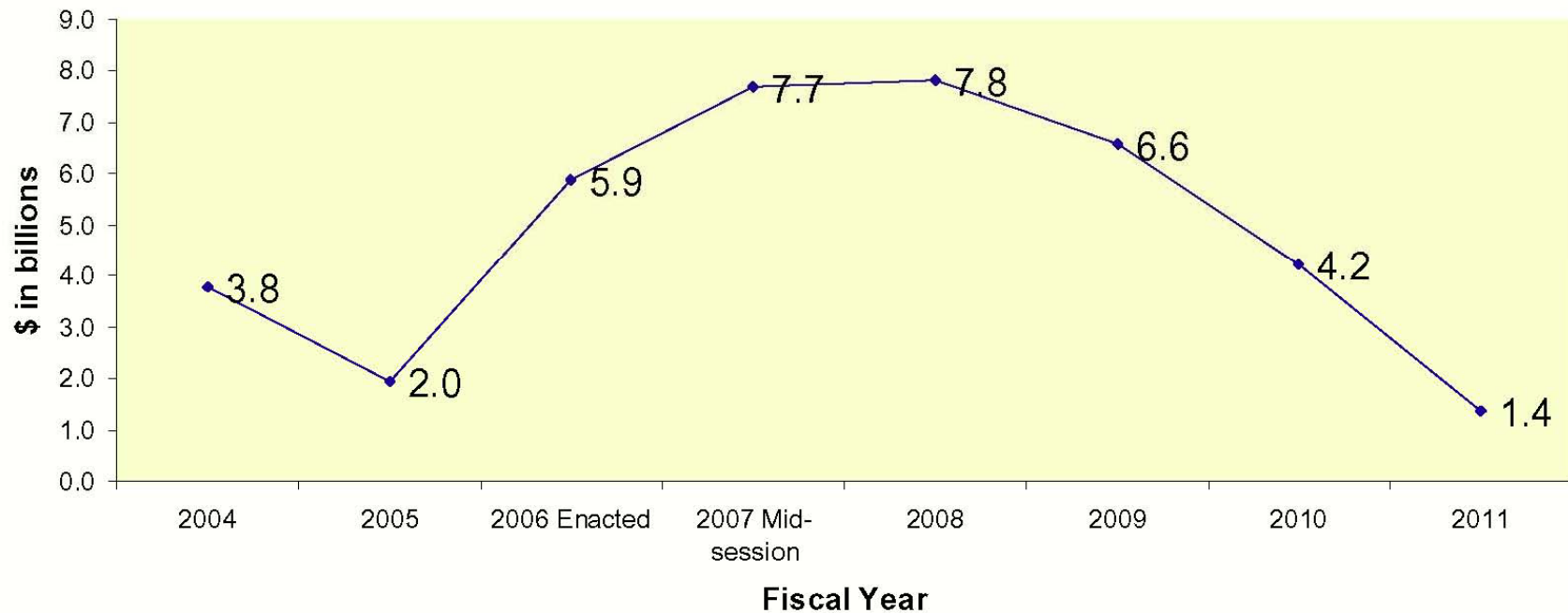
Source: U.S. Department of the Treasury

# Cash Balances—Highway Account



# Cash Balances—Mass Transit Account

Mass Transit Account of the Highway Trust Fund  
Cash Balance





# Policy and Revenue Commission

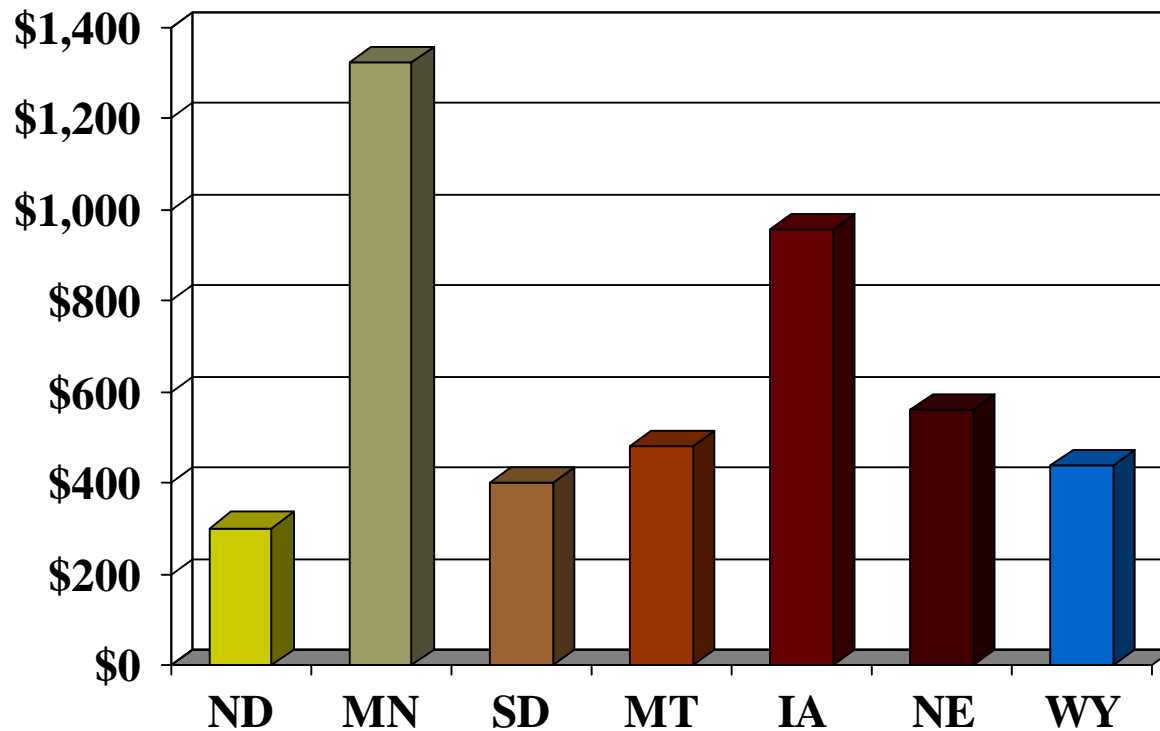
---

## Recommendations:

- Increased spending on infrastructure
  - \$225 billion needed annually for the next 50 years
  - Current spending is less than 40% of this amount.
- More investments at federal, state, and local levels, as well as by private sector
- Annual increase in federal fuel tax from 5¢ to 8¢ cents per gallon over the next 5 years

# State Transportation Expenditures

*millions of dollars*



*2003 figures. Source: State Transportation Statistics 2006.*



# SAFETEA-LU

---

- Authorizes expenditures from federal Highway Trust Fund for period 2005-2009
- Expires in 2009
- \$286.4 billion legislation
  - \$240 billion for highways
  - \$52.6 billion for transit



# Challenges

---

- ❑ Preserving and maintaining our aging system
- ❑ Rising traffic volumes (more vehicles, traveling more miles)
- ❑ Increasing demand for transit in rural and urban areas
- ❑ Skyrocketing materials costs
- ❑ Increasing amount of truck traffic (international trade)
- ❑ Declining purchasing power of the gas tax