

STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

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STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

ORGANIZATION

- Cabinet Agency
- Appointed Director
- Chief Engineer

CONSTITUTION/CODE OF ALABAMA

- Restricted Use Of Certain Revenues
- Balanced Budget
- Debt Prohibition



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

FUNDING – FISCAL YEAR 1995

- Federal Funds – 47.6%
- State Funds – 52.4%

FUNDING – FISCAL YEAR 2010

- Federal Funds – 59.4%
- State Funds – 40.6%



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

MAJOR STATE REVENUE SOURCES

- Motor Fuel Tax - \$0.19/Gallon (28%)
- Gasoline Tax - \$0.16/Gallon (42%)
- Inspection Fee - \$0.02/Gallon (9%)
- Vehicle License Fee - \$13.00/Tag
Plus Additional Amount by Weight
Class and IRP Receipts (19%)



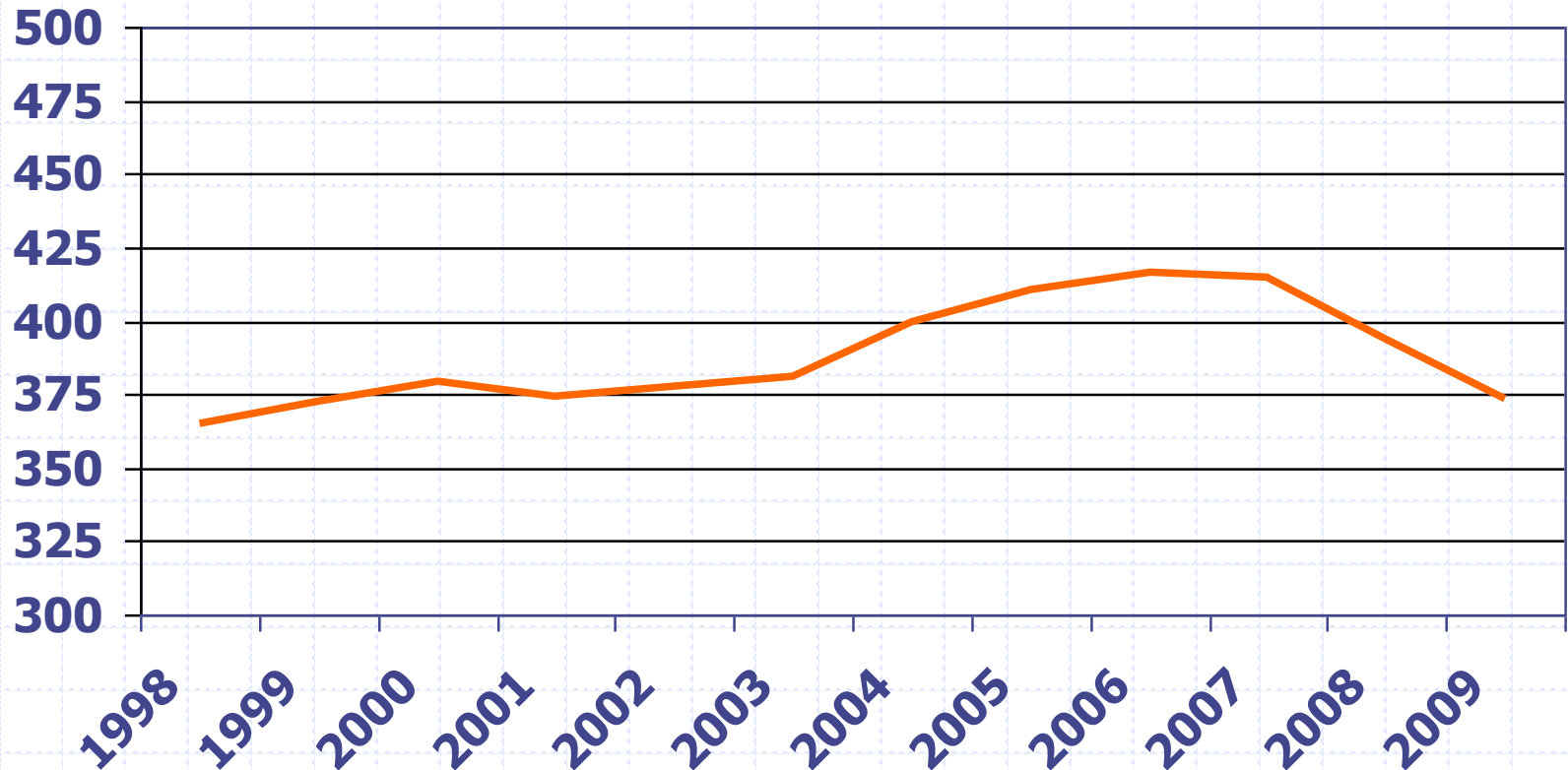
STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

PERCENTAGE OF TOTAL STATE
REVENUES BASED ON FUEL
CONSUMPTION

79%



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA



— Gas Tax/Fuel Tax/Inspection Fee (In Millions)



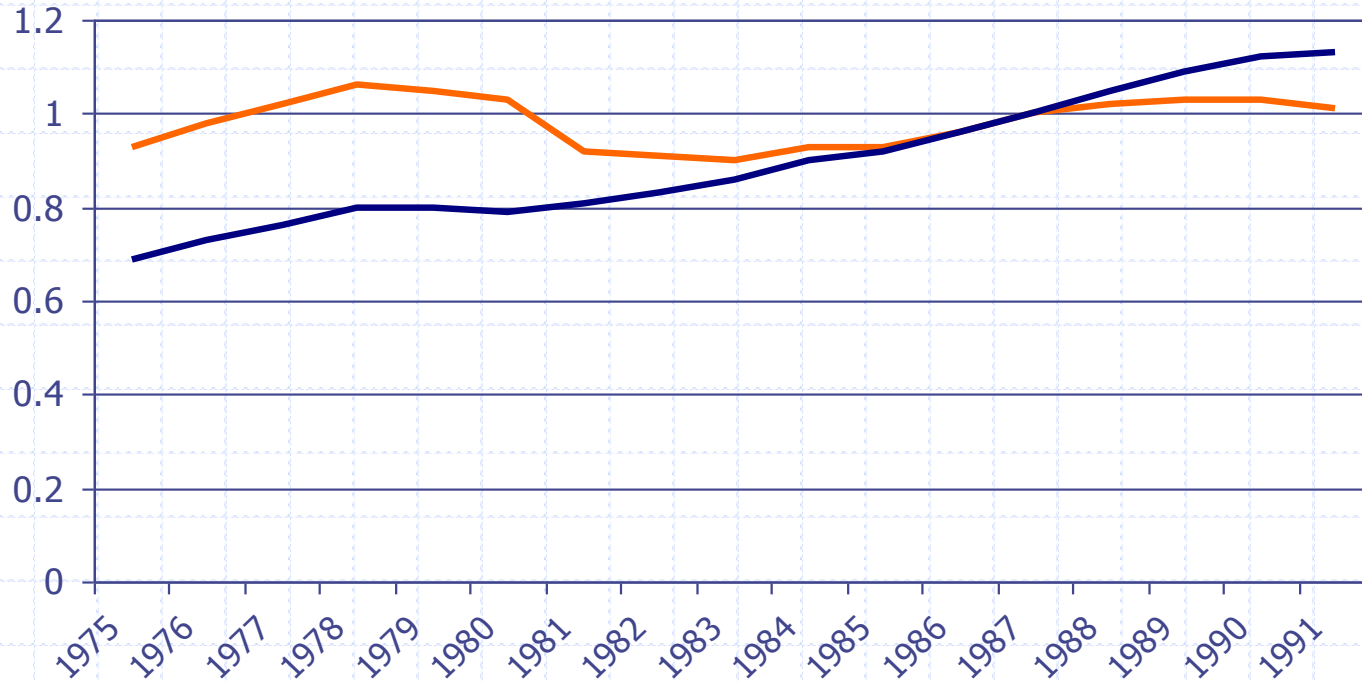
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HISTORY LESSON I

- “Energy Policy Conservation Act”
- Enacted in 1975
- Established Corporate Average Fuel Economy (CAFE) standards for passenger cars and light trucks
- Effective with 1979 Model Year
- Goal: Increase New Car Fuel Economy Average to 27.5 MPG by 1985



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA



— **\$0.07 Gas Tax Index (1987 Base)**
— **VMT Index (1987 Base)**



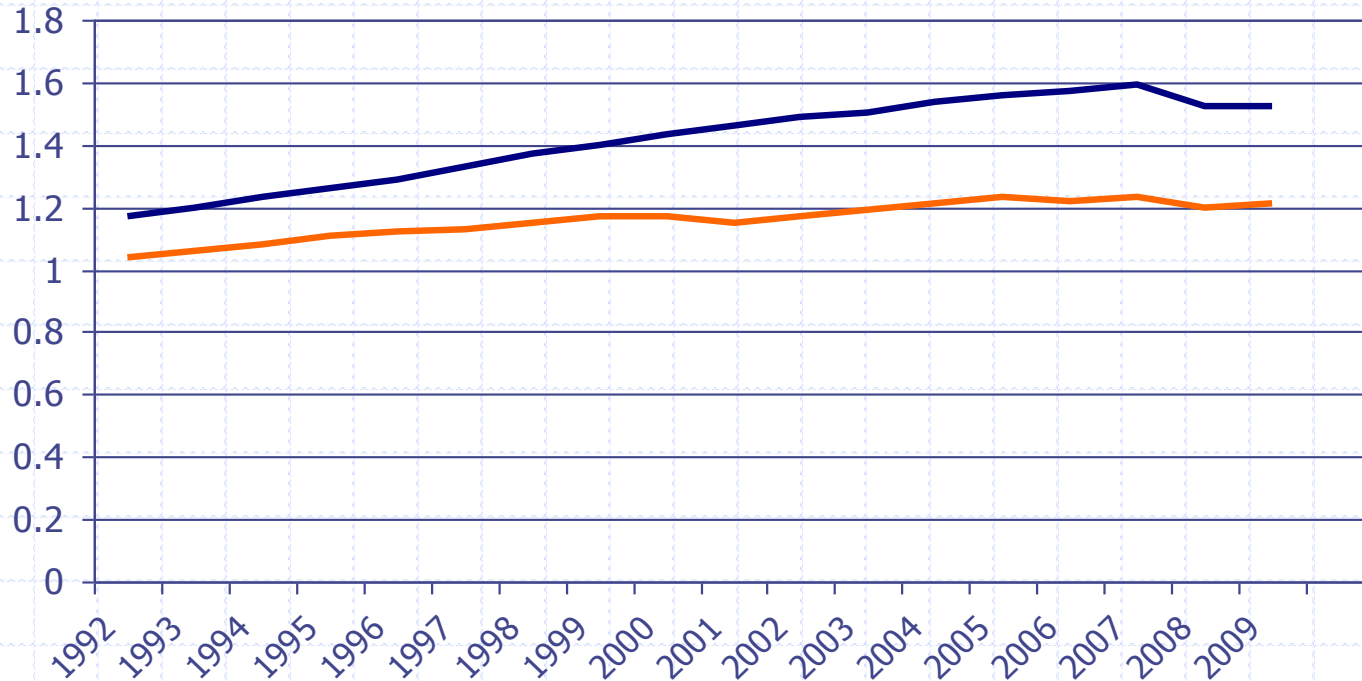
STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

HISTORY LESSON II

- “Energy Independence and Security Act”
- Enacted in 2007
- Goal: Increase New Car Fuel Economy Average to 35.0 MPG by 2020



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA



— **\$0.07 Gas Tax Index (1987 Base)**
— **VMT Index (1987 Base)**



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OTHER PRESSURES ON FUNDING

- Disclaimer



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

FY 1995 STATE FUNDS ALLOCATION

- Federal Matching Funds 23.2%
- State Construction/Maintenance 54.1%
- Administrative/Other Activities 22.7%



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

FY 2010 STATE FUNDS ALLOCATION

- Federal Matching Funds 36.9%
- State Construction/Maintenance 36.8%
- Administrative/Other Activities 26.3%



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

1992 – 2010 DIVERSION OF FUNDS



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

BUDGET PROCESS

- Departmental Request
- Governor's Proposal
- Legislative Enactment



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

FISCAL YEAR 1995 DIVERSION

- DPS \$3,500,000

FISCAL YEAR 2011 DIVERSION PROPOSED

- DPS \$26,500,000
- AOC \$20,000,000



STATE TRANSPORTATION FUNDING ISSUES IN ALABAMA

THE BIG QUESTION

Can we continue to
fund/operate in this manner
and meet the needs of the
traveling public?



TRANSPORTATION INFRASTRUCTURE FUNDING OPPORTUNITIES?

QUESTIONS/COMMENTS

