



North Central Texas
Council of Governments

TRANSPORTATION FUNDING 101

2024-2025



OVERVIEW

REGIONAL + FUNDING BACKGROUND

MOBILITY AND FUNDING PROBLEMS

MOBILITY AND FUNDING SOLUTIONS

SUMMARY



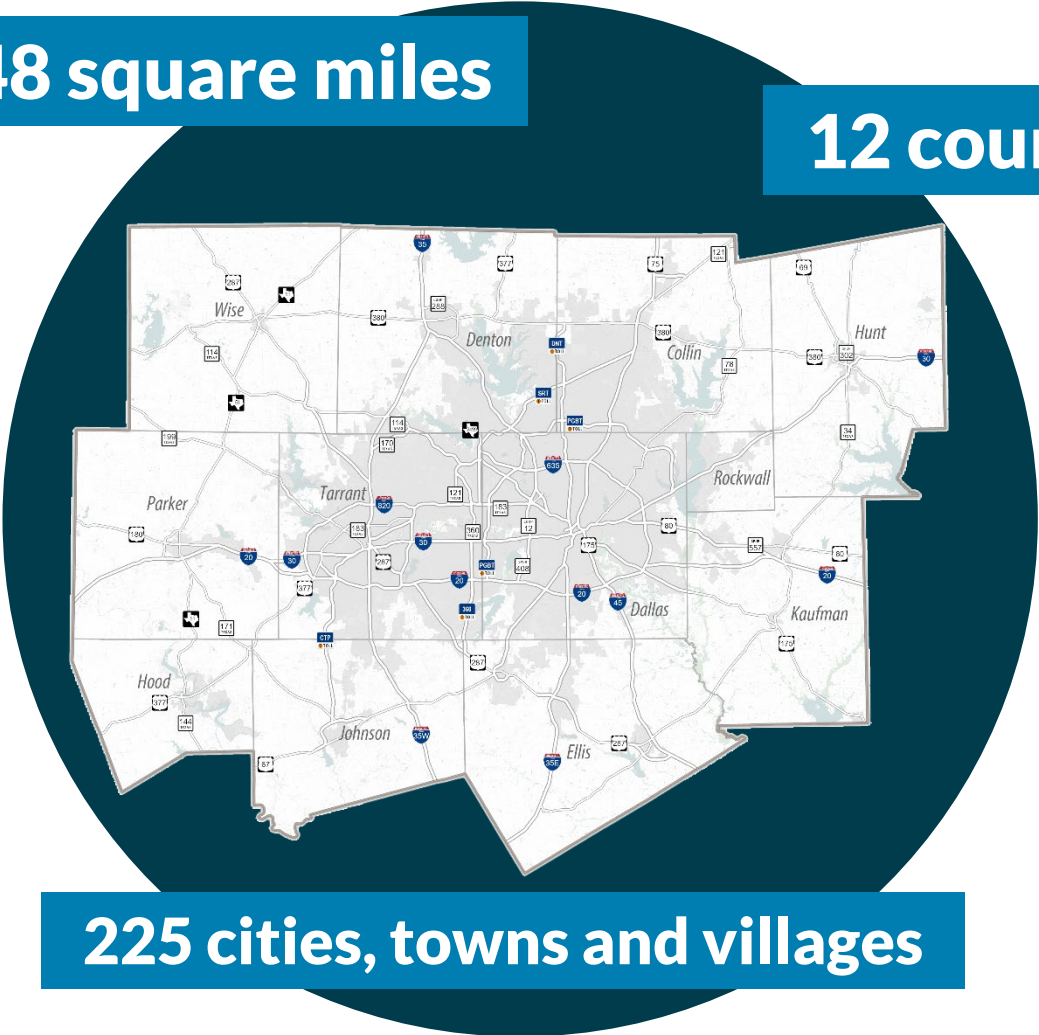
The background of the slide is a photograph of the interior of a bus, showing rows of seats and overhead handrails. The entire image is overlaid with a semi-transparent blue filter. Centered on this background is the text "REGIONAL AND FUNDING BACKGROUND" in a bold, white, sans-serif font.

REGIONAL AND FUNDING BACKGROUND

DALLAS-FORT WORTH POPULATION

9,448 square miles

12 counties



Over 30%
OF TEXAS' ECONOMY

LARGER THAN
5 States
IN LAND AREA

GREATER GDP THAN
38 States

4th Largest
METROPOLITAN
AREA IN THE US

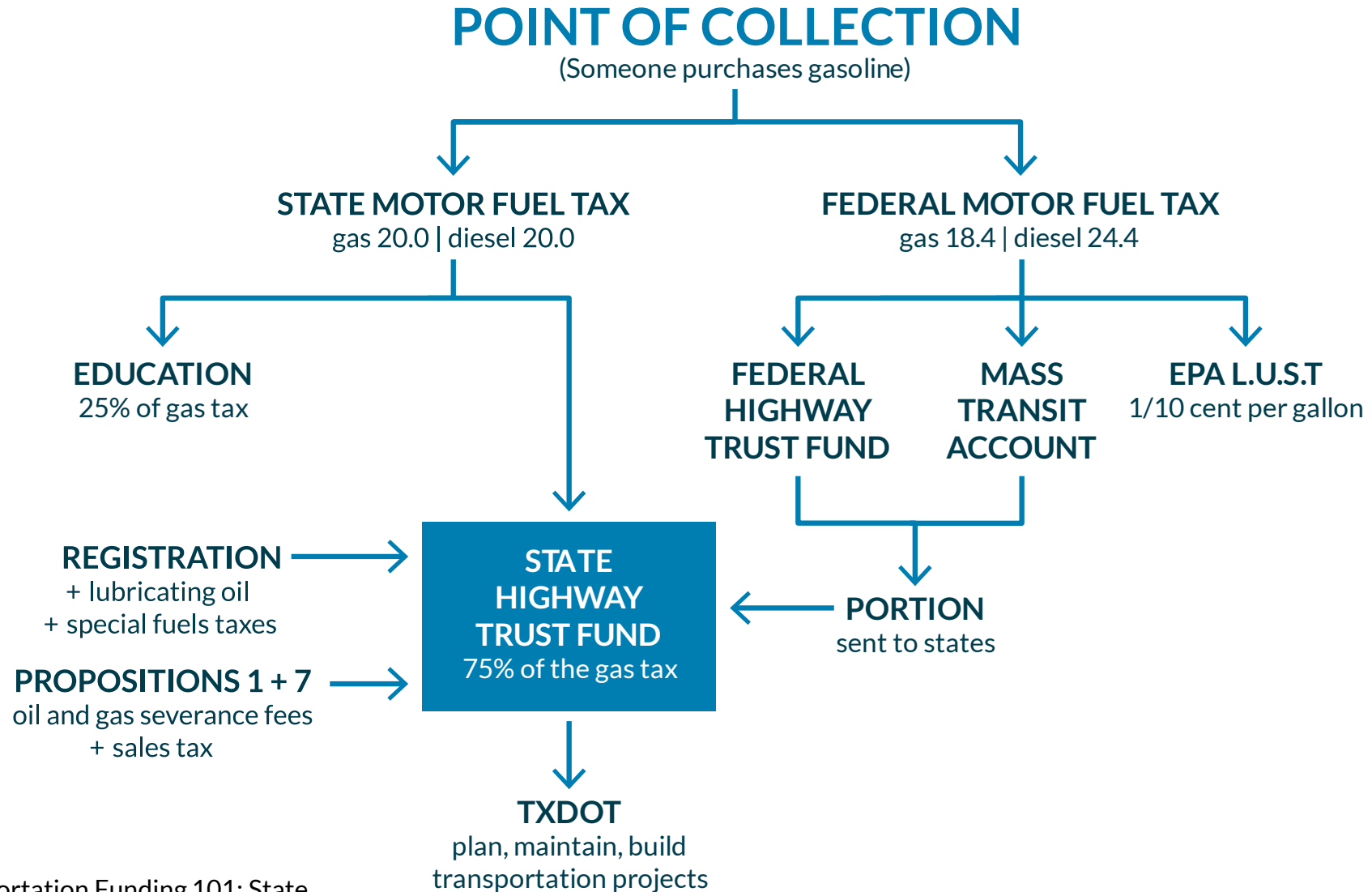
8.2 Million
PEOPLE IN 2024

12.3 Million
PEOPLE BY 2050

225 cities, towns and villages



STATE AND FEDERAL FUNDING BASICS



FEDERAL HIGHWAY TRUST FUND

- Established in 1956 by the Highway Revenue Act
- Federal motor fuel taxes are deposited into the fund
- Made up of two accounts: Highway & Mass Transit
- Functions as a finance mechanism

THE PROBLEM: Expenditures exceed deposits.

Since 2008, Congress has transferred **\$275 billion** from the General Revenue Fund to the Federal Highway Trust Fund to maintain solvency.



STATE HIGHWAY FUND DEPOSITS

Fiscal Year Ended August 31, 2023

Total Receipts \$16.517 billion

● **State Fees, Taxes, and Other**

\$12,201.9 million
74¢

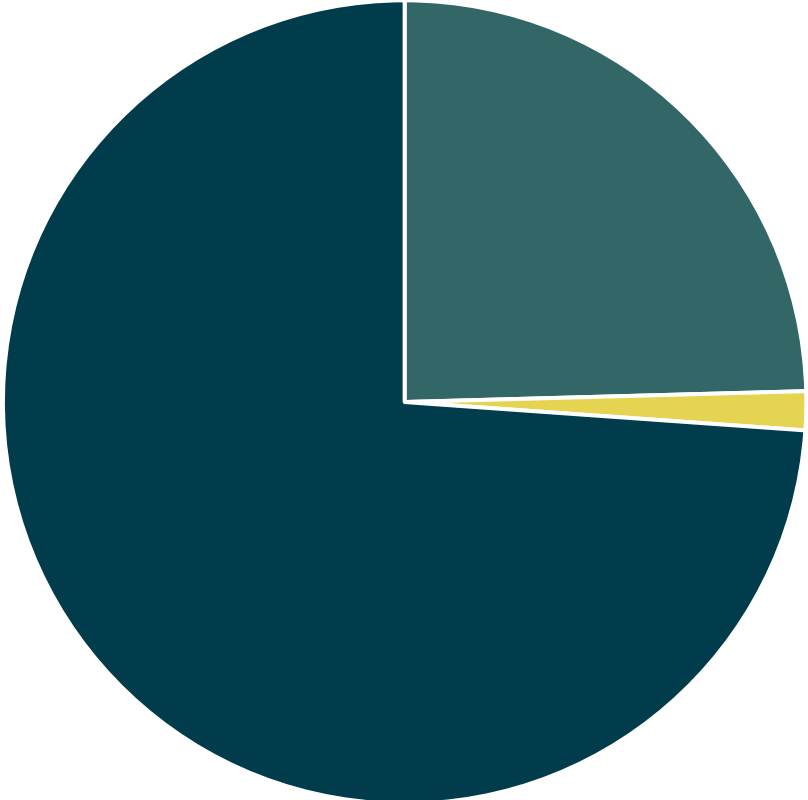
- Motor Fuel Tax \$2,820.6 million
- Vehicle Registration Fees .. \$1,636.5 million
- Proposition 1-Non Tolled .. \$3,637.5 million
- Lubricant Sales Tax \$37.5 million
- Other State Receipts \$945.4 million
- Proposition 7-Non Tolled ... \$2,500.0 million
- Motor Vehicle Tax \$624.4 million

● **Federal Reimbursements**

\$4,058.1 million
25¢

● **Local Participation**

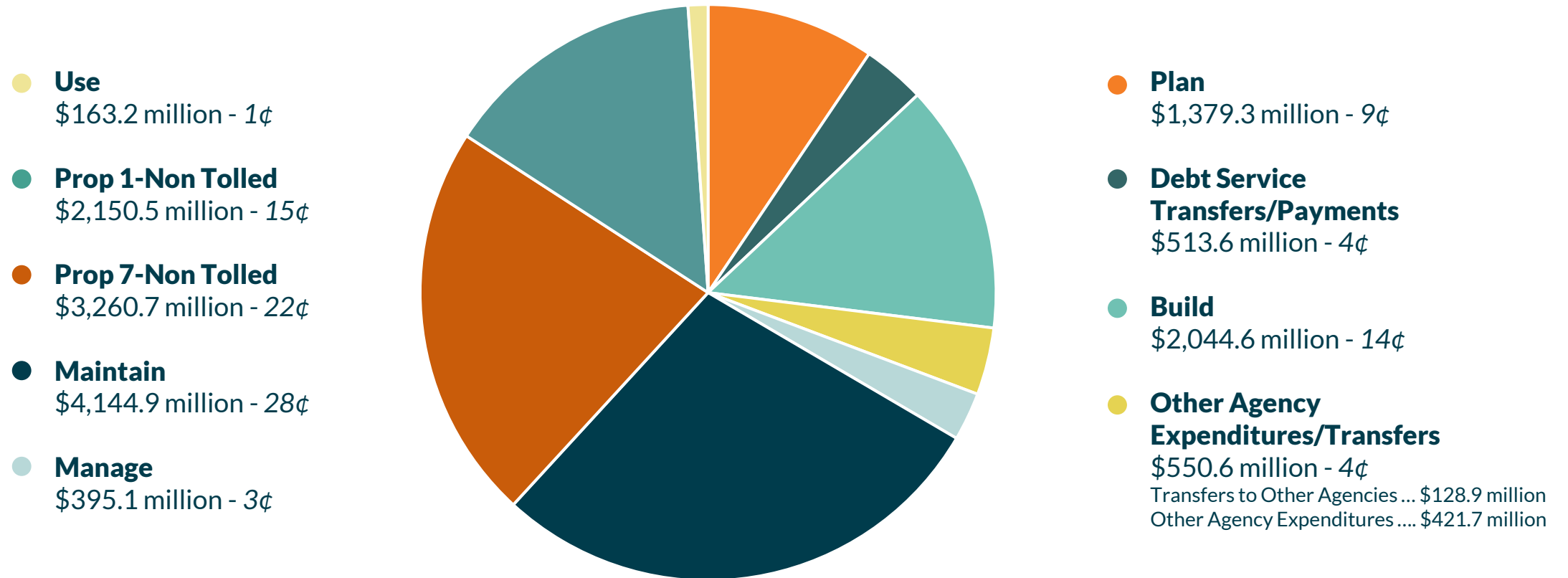
\$257.0 million
1¢



TOTAL STATE HIGHWAY FUND EXPENDITURES

Fiscal Year Ended August 31, 2023

Total Expenditures \$14.602 billion



REGIONAL FUNDING BASICS

SYSTEM REVENUE

- Motor Fuel Taxes
- Vehicle Registration Fees
- Other Federal Sources
- Other State Sources

FACILITY REVENUE

- Toll Roads
- Managed Lanes
- Private-Public Partnerships

LOCAL REVENUE

- Sales or Special Taxes
- Bond Programs
- Impact Fees
- Property Taxes
- Value Capture



REGIONAL TRANSPORTATION SYSTEM





MOBILITY AND FUNDING PROBLEMS

THE FUNDING PROBLEM

ISSUES FACING EVERYONE:

- Aging system
- Highway Trust Fund in the negative
- Federal gas tax last increased in 1993
- Improved fuel efficiency
- Increased construction costs

ISSUES FACING TEXAS:

- Continued growth leading to increased traffic congestion
- State gas tax last increased in 1991
- Gas tax not indexed
- Low vehicle registration fees
- New revenue sources fluctuate

One move in the right direction: Recent legislative and voter action from Proposition 1 and Proposition 7 have made new funds available for Texas roadway improvements.



OTHER FUNDING PROBLEMS

SYSTEM AGE + MAINTENANCE

Since 2003, the cost to maintain the existing system has surpassed state gas tax receipts.

LIMITED TRANSIT FUNDING

State funding for transit is restricted and mostly funds rural transit needs. Local buses and rail must rely on limited federal funds and sales tax.

LACK OF SUPPORT FOR TOLLED LANES

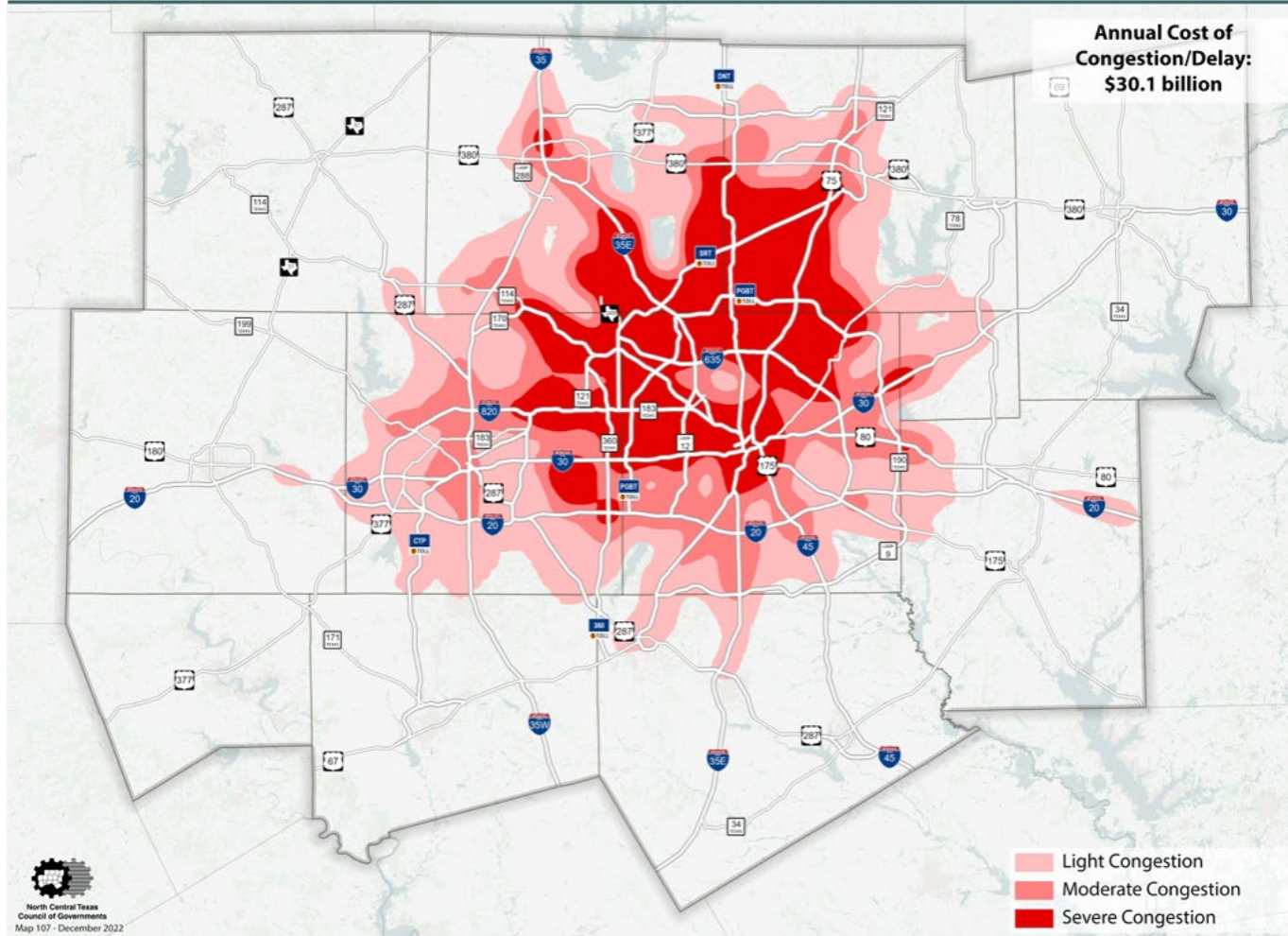
Tolled managed lanes provide an alternative to traditional funding methods by giving drivers a choice to drive on tolled lanes or non-tolled lanes but requires legislative approval.



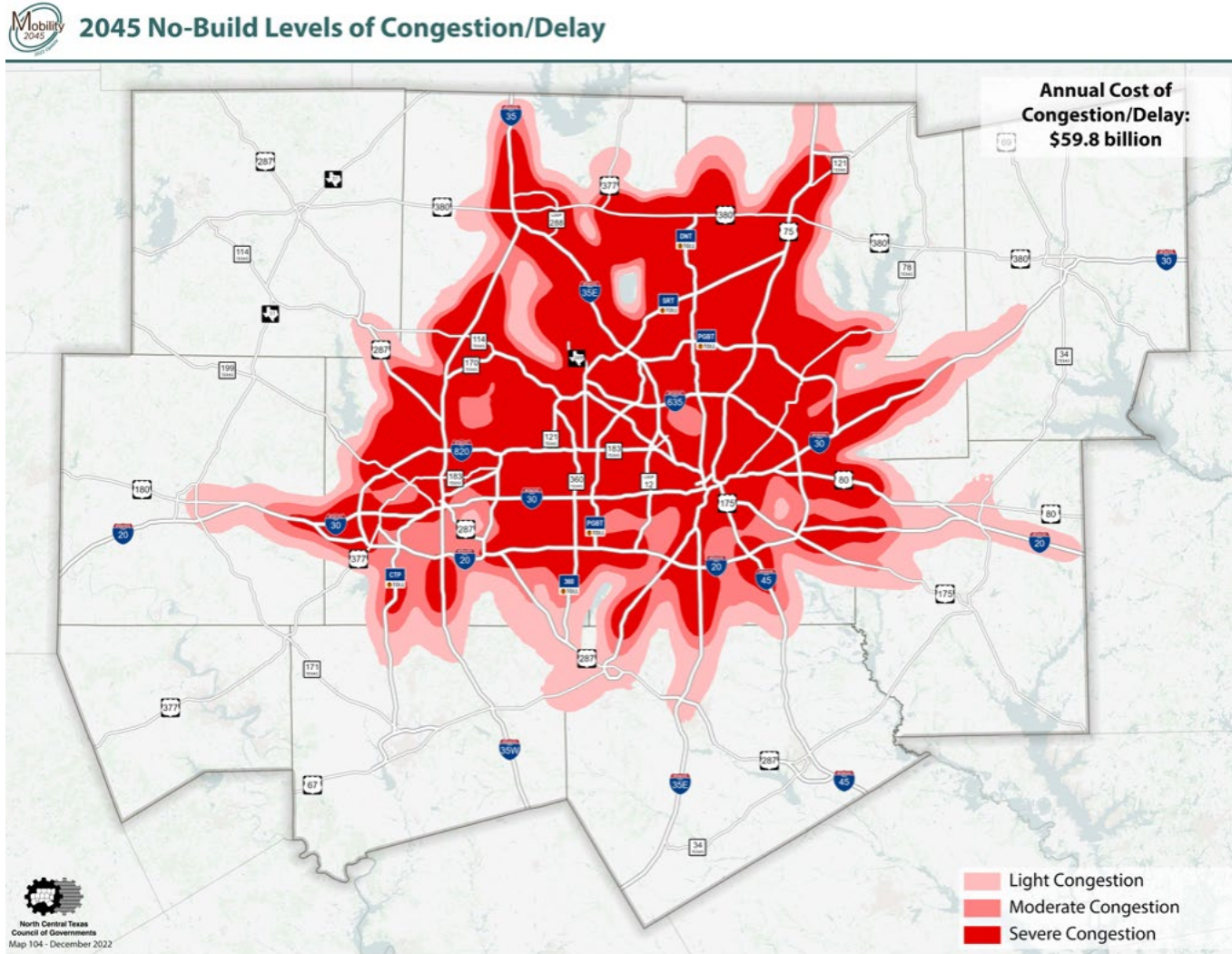
2045 LEVEL OF CONGESTION



2045 Levels of Congestion/Delay



2045 NO-BUILD LEVEL OF CONGESTION



MAJOR EXPENDITURES IN MOBILITY 2045

MAJOR EXPENDITURE TYPE	MOBILITY 2045 UPDATE (BILLIONS,ACTUAL DOLLARS)
Operations & Maintenance: Operations, Maintenance, Rehabilitation, Safety, Facility Reconstruction, Transit Operations	\$29.8
Non-Capacity Improvements: Congestion Management, Air Quality and Environment, Bicycle and Pedestrian, Sustainable Development, Transportation Enhancements, Safety, Technology, and Equity Programs	\$5.5
Capacity Improvements: Rail Capital and Transit System Expansion, Bus and Paratransit Capital, Freeway, Tollway, Express/ HOV, and Tolloed Managed Lanes, Regional Arterial System, and other Arterial Roadways	\$113.0
TOTAL	\$148.3 billion

The long-range transportation plan, Mobility 2045, is required to be constrained to financial resources that are reasonably expected to be available. Between now and 2045 this is the region's expected spending.



MOBILITY AND FUNDING PROBLEMS SUMMARY



POPULATION

The region has grown rapidly and will continue to grow between now and 2045.



FUNDING

Funds are available through state and federal sources but are not keeping up with growth.



CONGESTION

A \$337 billion investment in our roads is needed to alleviate congestion by 2045.



SHORTCOMING

Expected funding for building and maintaining roadways only amounts to \$269 billion in 2045, leaving a shortfall.



The image shows the interior of a bus, viewed from the back of the vehicle looking forward. The seats are arranged in rows, and there are handrails and poles for passengers. The entire image is overlaid with a semi-transparent orange color. The text "MOBILITY AND FUNDING SOLUTIONS" is centered in the middle of the image in a bold, white, sans-serif font.

MOBILITY AND FUNDING SOLUTIONS

ALTERNATIVE TRAVEL BEHAVIORS

Encouraging alternate travel behaviors can alleviate many transportation issues the region currently faces, such as traffic congestion and air pollution, but will not solve the transportation funding crisis.

ESTABLISHED METHODS TO PROMOTE CHANGE:

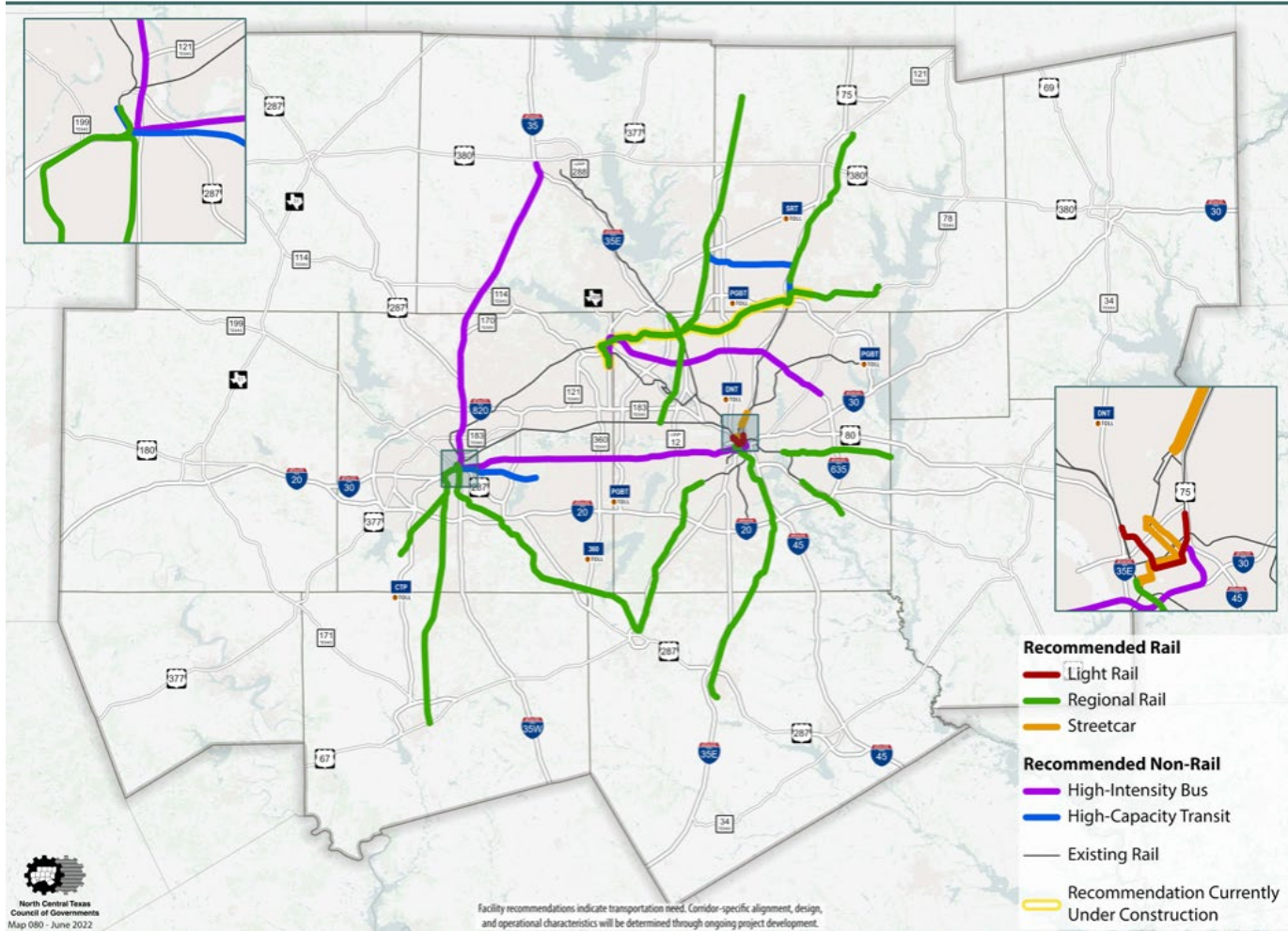
- Encouraging the use of public transportation
- Working flexible schedules or telecommuting reduce commuting time and eases congestion
- Using car-sharing or carpooling programs that would contribute to sustainable transportation
- Utilizing information services that provide around the clock access to transportation-related information



INVEST IN TRANSIT CONNECTIONS



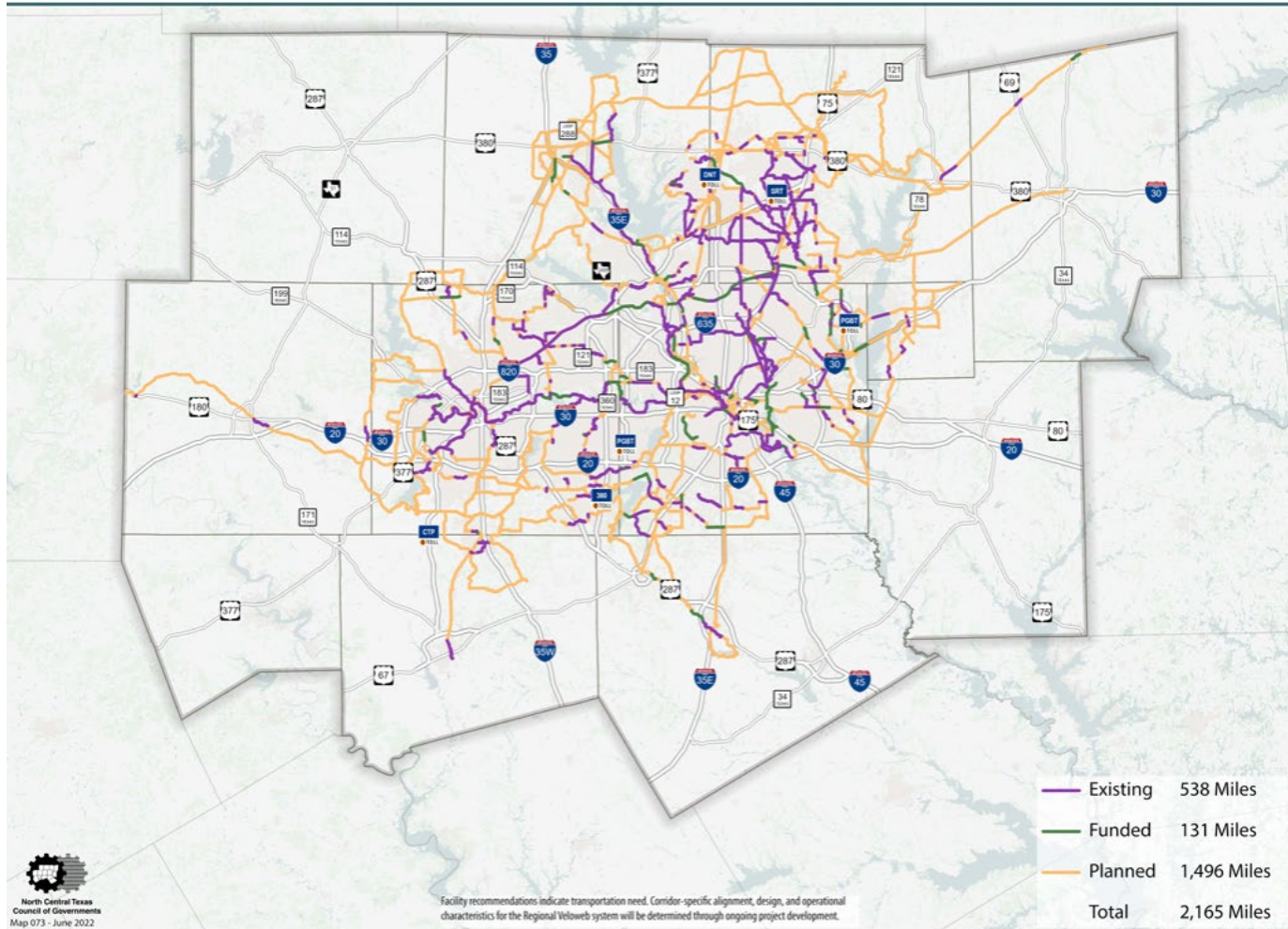
Major Transit Corridor Recommendations



INVEST IN REGIONAL TRAIL SYSTEM



Regional Veloweb



INNOVATIVE PROJECT DELIVERY

PRICED FACILITIES

Tolled managed lanes have been used in the region to lessen traffic congestion. Money collected from tolls goes toward paying for construction and continued maintenance of the roads.

PUBLIC-PRIVATE PARTNERSHIPS

Investments from the private sector have helped the region improve the transportation system. Federal and state funds in conjunction with contributions from the NTTA, local transit sales tax, and various municipal bond elections can be used to operate and maintain a transportation system.

REGIONAL TOLL REVENUE INITIATIVE

This initiative expedites transportation projects by providing money for improvements that otherwise may have to wait years to be completed.



POTENTIAL FUNDING POLICY OPTIONS

Allow additional counties to adopt optional \$10 registration fee

Local option transportation revenue

Investigate vehicle miles traveled fee

Regional or corridor transportation reinvestment zones

Index the motor fuels tax





SUMMARY

FUNDING 101 SUMMARY



The Dallas-Fort Worth area is growing, but transportation facilities and funding aren't keeping up.



Some funding tools are no longer available, and overall revenue is lower.



Single occupancy vehicle travel continues to grow.



The region requires a variety of transportation funding and mobility options to reduce congestion levels.



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