Texas Transportation Funding

MICHAEL REEVES
Reduced Emphasis on Transportation

In 1960, one third of the state budget went for transportation. FY 2016-17 is about 11%.
The Cost of Inflation ($ Millions)

Gross State MFT Deposits to SHF

Purchasing Power
### OTHER STATE FEES HAVE KEPT UP

<table>
<thead>
<tr>
<th>Year</th>
<th>College</th>
<th>In-State Tuition</th>
<th>% Increase</th>
<th>Gas Tax Increased by Same %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>Texas Tech</td>
<td>$1,191</td>
<td>750%</td>
<td>$1.50</td>
</tr>
<tr>
<td>2014</td>
<td>Texas Tech</td>
<td>$8,942</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>University of Texas</td>
<td>$1,054</td>
<td>933%</td>
<td>$1.87</td>
</tr>
<tr>
<td>2014</td>
<td>University of Texas</td>
<td>$9,830</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
State Fuel and Registration Fee Revenue (in billions)

- **New Capacity**
- **Maintenance, Rehabilitation and Reconstruction**
HOW DID TEXAS FILL THE GAP?

One time funding streams such as Prop 12 and Prop 14

Accumulated $23 billion in debt

In 2014-15 biennium debt service accounted for nearly 11% of TxDOT budget ($2.9 billion)
Proposition 1

- Proposition 1, approved by the voters in November 2014 dedicated a portion of oil and gas royalties to transportation instead of “Rainy Day Fund”
- $1.7 Billion to the state highway fund in the first year.
- Supported by 80% of the voters.
- Even with oil prices down, Comptroller still estimates ~ $1.2 billion / year in FY 2016-17
Proposition 7

- Proposes a constitutional amendment to annually dedicate a portion of the existing general sales tax and motor vehicle sales tax to the state highway fund.
- Use of the sales tax will be limited to the construction and maintenance of non-tolled roads and bridges, and to pay off general revenue transportation related debt.
- $2.5 billion in general sales tax that exceeds $28 billion would start in FY 2018.
- 35% of Motor Vehicle Sales Tax that exceeds $5 billion would start in FY 2020.
Transportation Funding Increases 2015 – 2029 ($ Billions)
Ports-to-Plains Alliance

Michael Reeves
5401 N. MLK #395
Lubbock, TX 79403
(806) 775-2338
www.portstoplains.com
michael.reeves@portstoplains.com