

Sherman-Denison Metropolitan Planning Organization (MPO)
Transportation Policy Board
AGENDA ITEM VI c
Funding Levels/Revenue Scenarios

March 31, 2010

RECOMMENDED ACTION: N/A

BACKGROUND:

Congestion and transportation needs are increasing. However, the region is expected to receive less funding for transportation in 2030 than today. Increasing population and vehicle turnover to increasingly fuel-efficient models impact transportation funding.

Residents contribute to transportation funding at the fuel pump. There is a 20-cent state gasoline tax and 18.4-cent federal gasoline tax collected, but not all of this revenue makes it's way back to our area. At the state level, diversions to non-transportation uses cut into funds. At the federal level, a portion of funds are sent to other states. While demand and costs increase, traditional transportation funding has remained unchanged.

How much do we pay for transportation?

Assuming 12,000 miles driven per year, the table below shows the average cost per mile for a passenger vehicle in 2009 and 2030. A significant increase is expected for the average miles per gallon rating for passenger vehicles.

	2009	2030
Miles Per Gallon	20.5	49.2
State Fuel Tax	\$116	\$56
Federal Fuel Tax	\$108	\$52
Vehicle Registration Fee	\$60	\$60
TOTAL ANNUAL COST	\$284	\$168
Cost Per Mile	2.37 ¢	1.39 ¢
Net to TxDOT	1.64 ¢	0.67 ¢

Source: NCTCOG - Transportation Dept.

With funding gaps increasing each passing year, it is incumbent on residents and decision makers to consider additional sources to address the area's present and future transportation needs.

Some potential sources for increased revenues include:

- Additional state funds
- Increase in state and diesel tax
- Increase federal and diesel tax
- Indexing the motor fuels tax
- Increasing the vehicle registration fees
- Imposing a vehicle-miles-traveled (VMT) tax
- Look at local fuel tax options
- Others

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ACTION REQUESTED:

No action required.

ATTACHMENTS:

- Fuel Efficiency Table/Revenue Scenarios
- 2010 – 2035 Metropolitan Transportation Plan Map