

TRANSPORTATION FUNDING ASSURED OF GROWTH

HB 2272, passed on the final day of the 2008 legislative session, provides for major additional funding for state transportation projects over the coming years. This increased funding takes two forms:

- \$300 million in bonds to be issued over two years. The bond issue is intended to allow the Oklahoma Department of Transportation (ODOT) to move ahead with projects on its eight-year improvement plan. Debt service payments on the bond are expected to cost the department \$30 million annually;
- Guaranteed annual increases of \$30 million each year for the next seven years to the ROADS (Rebuilding Oklahoma Access and Driver Safety) fund for construction and maintenance of state roads, bridges and highways. HB 2272 removed the trigger that had previously tied funding levels to revenue growth and raised the cap on the fund from \$270 to \$370 million.

The chart below shows actual funding for ODOT through FY '08 and estimates through FY '17 based on existing laws and trends in revenue collections. This aggregate funding includes the following components:

- **STATE TRANSPORTATION FUND:** This fund receives just under 2/3rds of revenues from gasoline and diesel excise taxes, along with portions of other minor taxes. ODOT was appropriated \$207 from this fund for FY '09. Funding to the State Transportation Fund is projected to remain flat through FY '17.
- **ROADS (REBUILDING OKLAHOMA ACCESS AND DRIVER SAFETY) FUND:** This fund receives income tax revenues that would otherwise go to General Revenue (GR). In FY '09, the fund will receive \$155.0 million, which includes the remaining bond payments for the Capitol Improvements Road Program. Annual debt service payments of \$30 million for the new bond issue authorized in HB 2272 will come from the ROADS fund. Allocations to the ROADS fund are set to grow by \$30 million each year until the fund reaches \$370 million.
- **PUBLIC TRANSIT REVOLVING FUND –** This fund receives a \$3.0 million annual allocation from income tax revenues that would otherwise go to GR for public mass transportation services ;
- **OKLAHOMA TOURISM AND PASSENGER RAIL FUND –** This fund receives a \$2.0 million annual allocation from income tax revenues that would otherwise go to GR for capital and operating costs of the “Heartland Flyer” passenger train;
- **COUNTY IMPROVEMENT FOR ROADS AND BRIDGES FUND –** This fund receives 5% of motor vehicle revenue collections in FY '08, 10% in FY '09, and 15% in FY '10 and years thereafter. These funds were previously apportioned to GR. The fund is expected to receive \$70.8 million in FY '09. Based on an estimate of 5% annual growth in collections, the fund will grow to \$142 million by FY '17.
- **HIGH PRIORITY STATE BRIDGE FUND –** This fund receives 1.63% of the gasoline fuel excise tax and 1.39% of the diesel fuel excise tax to be spent on state bridges. The fund is expected to receive \$7.6 million in FY '09 and is projected to remain flat through FY '17.

