



NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE

State Transportation Expenditure: 50 State Overview

Transportation Infrastructure Revenue Subcommittee  
August 21, 2023

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# Overview of State Transportation Funding

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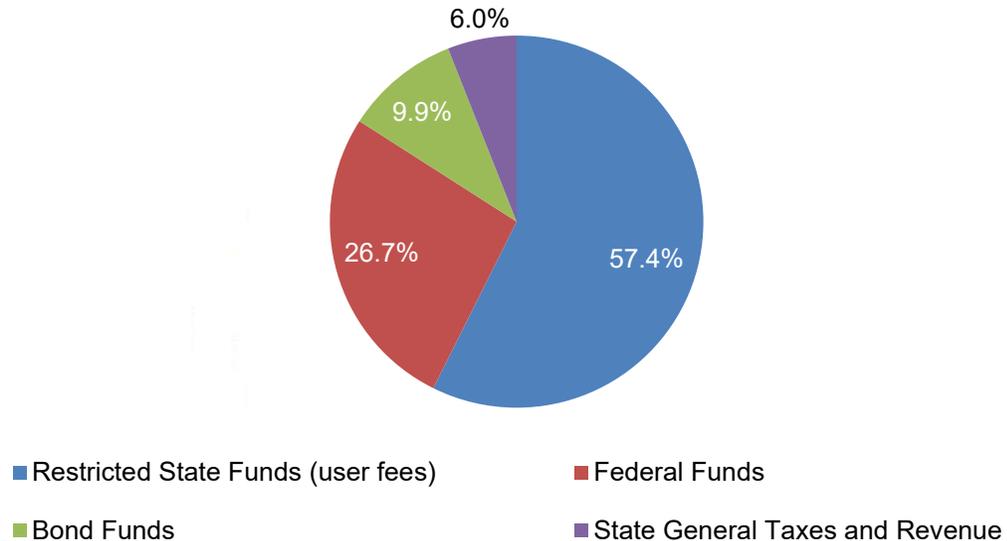
- Every state transportation funding program is unique, making comparisons difficult.
- Best available national data:
  - National Association of State Budget Officers (NASBO)
  - American Association of State Highway and Transportation Officials (AASHTO)
- Most recent data from FY22.



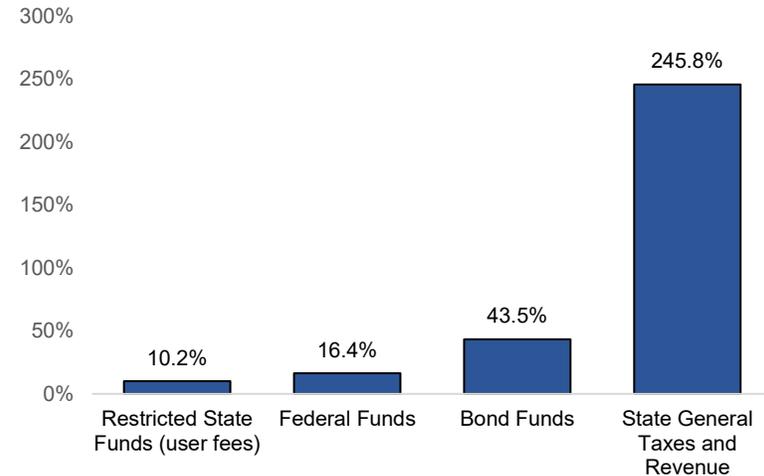
# Overview of State Transportation Funding

- Nationally, the “user pays” model of transportation is well established.
- States spent a total of \$208.7 billion in FY22, mostly from user fee revenue.

Nationwide Transportation Expenditures by Revenue Source, FY22



Growth in Transportation Expenditures FY21 to FY22, by Revenue Source



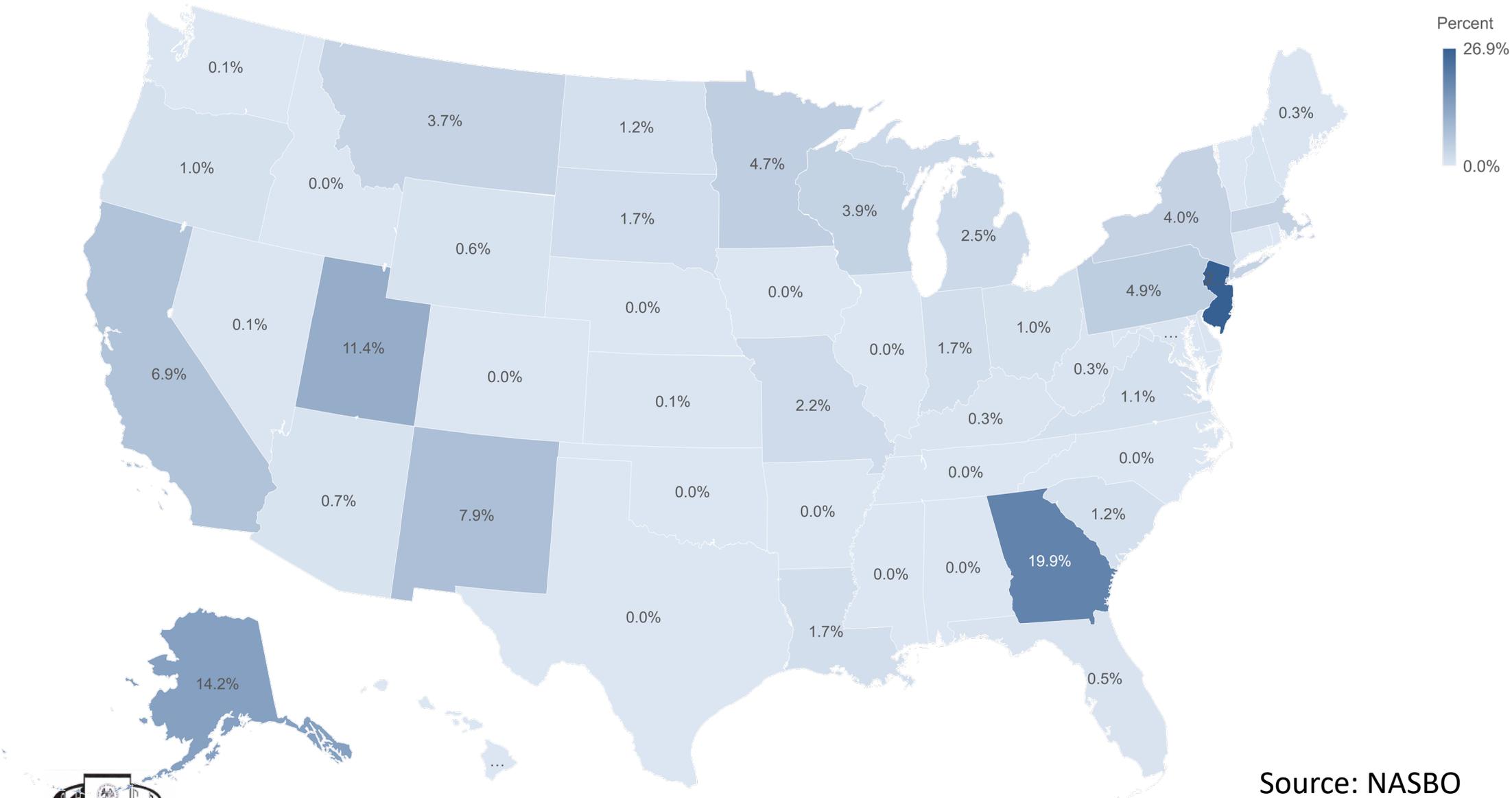
# Why “User Pays?”

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- State transportation programs are generally dependent on federal and state taxes on fuel.
  - These revenues are typically earmarked solely for transportation projects.
- Fewer states earmark general taxes for transportation projects
  - Example: New Mexico earmarks \$6 million per year from gross receipts taxes for the NMDOT Aviation Division.
- All states except Vermont are required to have a balanced budget
  - Earmarking limits the flexibility of legislatures to respond to revenue challenges.



# Percent of Transportation Funding from General Taxes and Revenues, FY18 - FY22



Source: NASBO



# Overview of State Transportation Funding

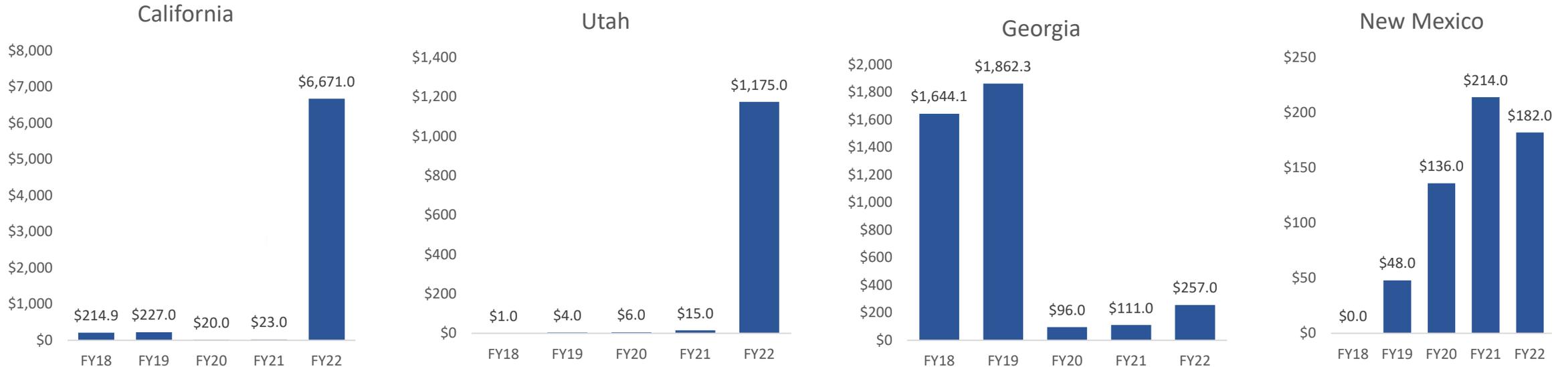
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- States are using one-time general fund revenue surpluses to fund transportation infrastructure.
  - AASHTO reports use of general taxes for transportation programs is widespread but minimal.
- According to NASBO, 30 states used general fund revenue for transportation projects. Amounts varied from \$300 thousand to \$6.7 billion.
  - Between FY18 and FY22, 38 states used general fund revenue for transportation.



# Use of General Taxes for Transportation

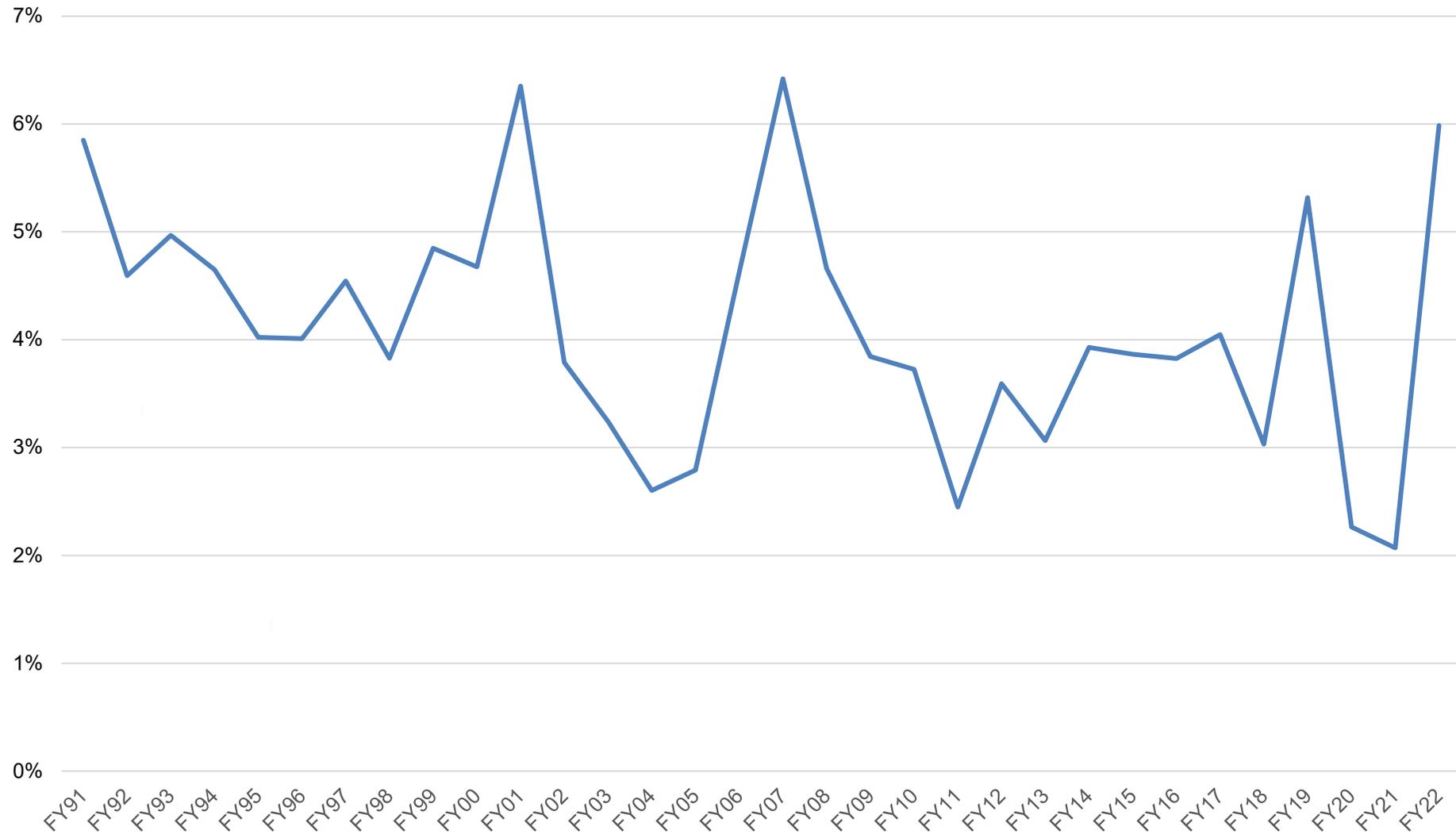
(dollars in millions)



- Use of general fund revenue is often inconsistent from year-to-year.
- States respond to one-time surpluses by investing in transportation



# Percent of National Transportation Funding from General Taxes and Revenues



Source: National Association of State Budget Officers



Special Transportation Appropriations, 2019 to 2023

Expenditures and Encumbrances through June 10, 2023

Year	Type	Appropriation	Expended	Encumbered	Percent Expended	Reversion Date
2019	for state roads, MIPS	\$175,000,000	\$130,535,094	\$35,334,215	75%	6/30/2024
2019	for state roads, maintenance	\$100,000,000	\$98,321,276	\$1,637,080	98%	6/30/2024
2019	for local roads	\$50,000,000	\$49,311,250	\$688,750	99%	6/30/2024
	<b>Subtotal: 2019</b>	<b>\$325,000,000</b>	<b>\$278,167,621</b>	<b>\$37,660,045</b>	<b>86%</b>	<b>6/30/2024</b>
2020	for state roads, maintenance/MIPS	\$135,000,000	\$133,683,934	\$289,608	99%	6/30/2023
	<b>Subtotal: 2020</b>	<b>\$135,000,000</b>	<b>\$133,683,934</b>	<b>\$289,608</b>	<b>99%</b>	<b>6/30/2023</b>
2021	for state roads, MIPS	\$170,000,000	\$59,989,238	\$28,666,611	35%	6/30/2025
2021	for local roads	\$121,000,000	\$76,611,067	\$43,340,698	63%	6/30/2025
2021	for essential air service	\$9,000,000	\$1,418,365	\$5,881,635	16%	
	<b>Subtotal: 2021</b>	<b>\$300,000,000</b>	<b>\$138,018,671</b>	<b>\$77,888,944</b>	<b>46%</b>	<b>6/30/2025</b>
2021 Sp.	for state roads, MIPS	\$142,500,000	\$893,476	\$469,849	1%	6/30/2025
2021 Sp.	for roadw ay beautification	\$10,000,000	\$3,770,774	\$3,102,208	38%	6/30/2025
2021 Sp.	for regional airports	\$10,000,000	\$235,392	\$9,764,608	2%	6/30/2025
2021 Sp.	for electric vehicle charging	\$10,000,000	\$3,678,135	\$4,304,149	37%	6/30/2025
	<b>Subtotal: 2021 Special</b>	<b>\$172,500,000</b>	<b>\$8,577,776</b>	<b>\$17,640,815</b>	<b>5%</b>	<b>6/30/2025</b>
2022	for state roads, MIPS	\$247,500,000	\$47,951,536	\$40,310,237	19%	6/30/2025
2022	for I-40/I-10 Planning	\$25,000,000	\$0	\$965,543	0%	6/30/2025
2022	for regional airports	\$5,000,000	\$0	\$0	0%	6/30/2025
2022	for equipment/district offices	\$9,000,000	\$2,688,315	\$5,637,884	30%	6/30/2025
2022	for the transportation project fund	\$60,000,000	\$17,106,358	\$42,893,642	29%	6/30/2025
2022	for rest area improvements	\$20,000,000	\$50,156	\$1,086,190	0%	6/30/2025
2022	for essential air service	\$5,000,000	\$0	\$4,900,000	0%	6/30/2025
2022	for w ildlife corridors	\$2,000,000	\$0	\$0	0%	6/30/2025
	<b>Subtotal: 2022</b>	<b>\$373,500,000</b>	<b>\$67,796,365</b>	<b>\$95,793,496</b>	<b>18%</b>	<b>6/30/2025</b>
2023	for regional airports	\$55,000,000	\$0	\$0	0%	6/30/2026
2023	for state roads, MIPS	\$232,000,000	\$0	\$0	0%	6/30/2026
2023	for w ildlife corridors	\$5,000,000	\$0	\$0	0%	6/30/2026
2023	for ports of entry*	\$7,000,000	\$0	\$0	0%	6/30/2026
	<b>Subtotal: 2023</b>	<b>\$299,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>6/30/2026</b>
	<b>Grand Total</b>	<b>\$1,605,000,000</b>	<b>\$626,244,368</b>	<b>\$229,272,909</b>	<b>39%</b>	<b>6/30/2026</b>

\*The appropriations for ports of entry is from the weight distance tax identification permit fund.

Source: SHARE

- In New Mexico, the Legislature has appropriated more than \$1.6 billion in general fund revenue since 2019 for special transportation projects.
- Legislature has pursued a strategy of using one-time funds to make generational investments to make quality-of-life improvements for New Mexicans.



# Contact

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More LFC Budget and Policy Documents can be found at:

<https://www.nmlegis.gov/Entity/LFC/Default>

