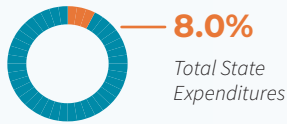
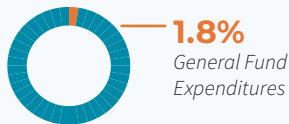


FISCAL YEAR 2024 AT A GLANCE

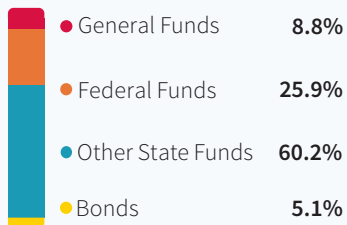


Transportation is the fourth largest total spending category



Transportation is the second smallest general fund category

Transportation by Fund Source, FY 2024



Transportation Spending Changes

State Funds

2023 **+13.1%** ▲
2024 **+25.2%** ▲

Federal Funds

2023 **+11.7%** ▲
2024 **+18.6%** ▲

Total Funds

2023 **+7.9%** ▲
2024 **+21.1%** ▲

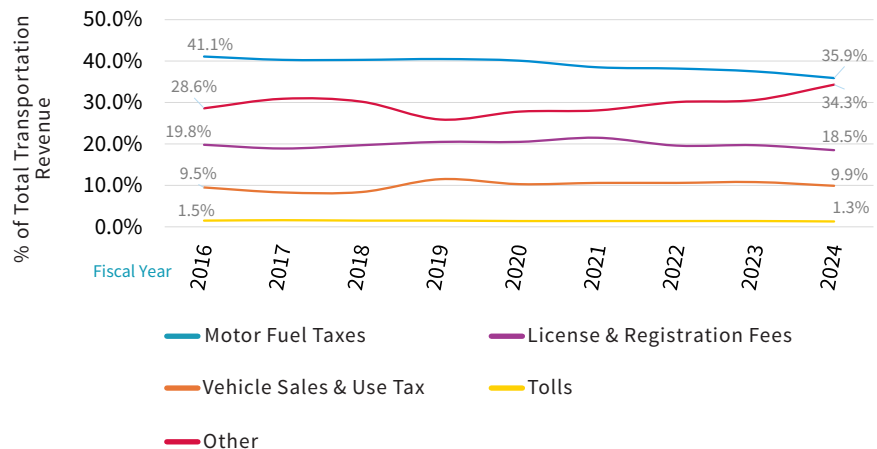
2024 STATE EXPENDITURE REPORT | FISCAL YEARS 2022–2024

TRANSPORTATION

Trends

Total state spending for transportation grew faster than any other program area in fiscal 2024, increasing 21.1 percent, due to significant increases from both state and federal funds. In recent years states have prioritized transportation spending directing additional state funding to both maintaining roads and other infrastructure, as well as supporting new projects. The growth in federal funds derives from both federal COVID-19 aid and states expending funds from the *Infrastructure Investment and Jobs Act* (IIJA), which provides \$550 billion in new spending over five years (fiscal 2022 through fiscal 2026) for roads, bridges, major projects, passenger and freight rail, public transit, broadband, airports, ports, water infrastructure, and resiliency.

Motor Fuel Taxes Gradually Declined as a Share of Transportation Revenue as Other Sources Grew



Facts About Spending

- Median growth rates for fiscal 2024 were lower than the average percentage spending change with all funds at 11.6 percent, state funds at 14.8 percent, and federal funds at 12.2 percent. Median growth rates still exceeded all other program areas for all funds, state funds, and federal funds in fiscal 2024.
- The slower growth rate in total transportation expenditures in fiscal 2023 is partly due to a decline in spending from bonds as states used more one-time funds for infrastructure projects. On a median basis, all funds increased 11.5 percent, state funds 14.1 percent, and federal funds 11.1 percent in fiscal 2023.
- Over 60 percent of transportation expenditures were funded from earmarked revenues placed in special transportation funds, captured in the “Other State Funds” category in this report. The largest earmarked revenue source is states’ motor fuel excise taxes. Funding from state sources comprise nearly three-fourths of total transportation spending.

TRANSPORTATION

Facts About Spending

- Transportation spending in this report includes operating and capital expenditures for highways, mass transit, railroads, and airports; road assistance for local governments; and administration costs. Functions such as state police and highway patrol, port authority operations, and motor vehicle licensing were excluded by many states.
- States have taken a number of revenue raising measures in recent years to meet infrastructure funding needs including raising the state gas tax and imposing increased registration fees on electric and hybrid vehicles, while exploring road usage charges (or mileage-based user fees), the greater use of tolls and express lanes, and fees at charging stations.
- While many states have taken revenue raising measures, federal fuel taxes have not been raised since 1992 and are not adjusted for inflation, resulting in the federal gas tax losing roughly one-third of its value over the past 30 years.



Did You Know: Over the past eight years, motor fuel taxes have declined as a percentage of overall transportation revenue, going from 41.1 percent in fiscal 2016 to 35.6 percent in fiscal 2024.

ⁱ American Association of State Highway and Transportation Officials (2022), *Transportation Governance and Finance*