



NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE

## Overview of State and Federal Funds for Transportation

Joseph Simon, Analyst, LFC  
August 19, 2024

# Overview

---

- Infrastructure Investment and Jobs Act
- State Funding Sources Over Time



# Infrastructure Investment and Jobs Act

---

- Reauthorized federal surface transportation programs;
  - Federal transportation programs reauthorized on a four-year cycle;
  - Fixing America's Surface Transportation Act (FAST Act): 2016-2021; four year cycle + one year extension
  - IIJA: Federal fiscal years 2022-2026
- Also included programs related to broadband, cybersecurity, energy, and the environment.



# IJA Funding: Federal FY22-FY26

Federal Programs Of Interest to States in Infrastructure Investment and Jobs Act  
in billions

<i>Transportation Programs</i>	
Airports	\$25.0
Broadband	\$0.8
Electric Vehicles	\$7.8
Other	\$4.2
Public Transportation	\$86.2
Resilience	\$8.9
Roads and Bridges	\$324.2
Safety	\$35.7
Rail	\$41.3
Ports and Waterways	\$3.6
<b>Subtotal Transportation</b>	<b>\$537.5</b>

<i>Other Agency Programs</i>	
Broadband	\$62.4
Electric Vehicles	\$5.2
Energy and Power	\$50.5
Environmental Remediation	\$21.6
Other	\$3.0
Resilience	\$12.8
Water	\$56.4
<b>Subtotal Other Agencies</b>	<b>\$211.9</b>

<b>Grand Total</b>	<b>\$749.4</b>
--------------------	----------------

Source: Federal Funds Information for States

- Authorization for \$1.2 trillion in federal spending over 5 years, but not all programs flow through to states.
- Federal Funds Information for States tracks 281 separate grant programs, accounting for \$750 billion in federal funds



# IIJA Funding: New Mexico Allocations

**New Mexico Allocations for IIJA Programs**  
in millions

<b>Transportation Programs</b>	
Airports	\$116.3
Broadband	\$0.0
Electric Vehicles	\$106.2
Public Transportation	\$427.4
Resilience	\$71.6
Roads and Bridges	\$2,818.5
Safety	\$268.6
Rail	\$0.0
Ports and Waterways	\$0.0
<b>Subtotal Transportation</b>	<b>\$3,808.6</b>

<b>Other Agency Programs</b>	
Broadband	\$1,203.4
Electric Vehicles	\$10.9
Energy and Power	\$74.8
Environmental Remediation	\$109.2
Other	\$33.0
Resilience	\$78.0
Water	\$456.01
<b>Subtotal Other Agencies</b>	<b>\$1,965.3</b>

<b>Grand Total</b>	<b>\$5,773.9</b>
--------------------	------------------

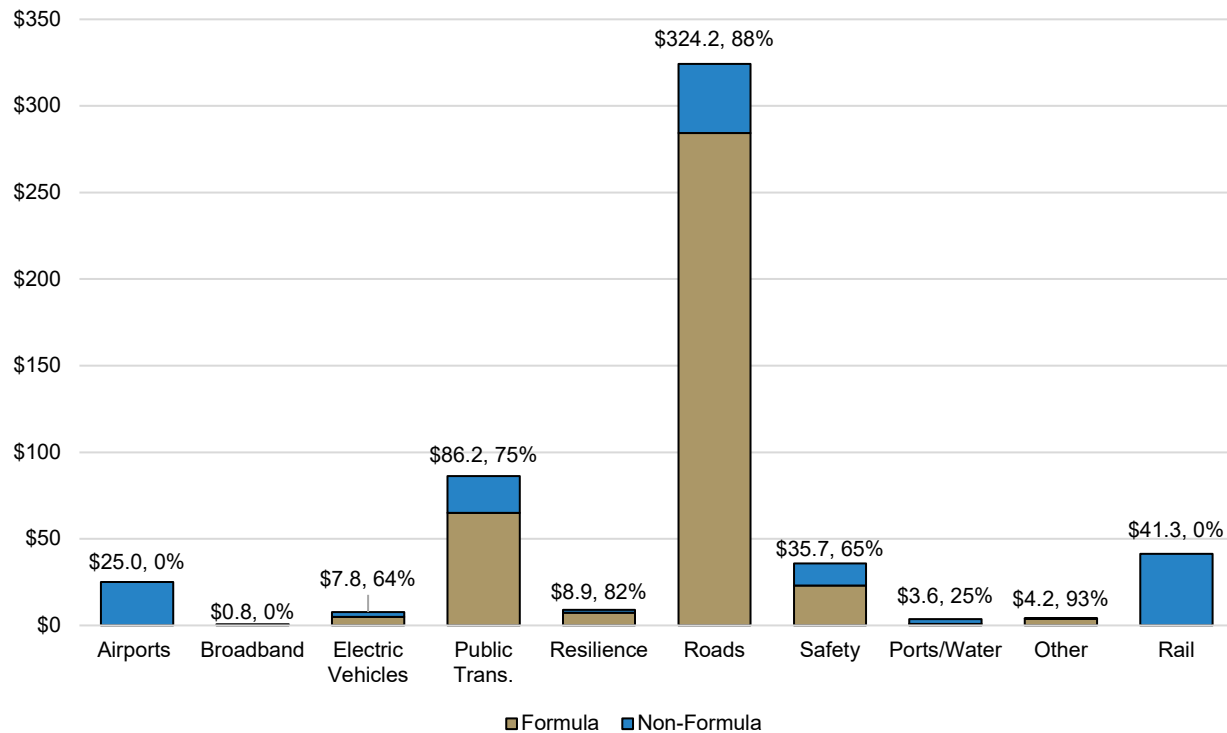
Source: Federal Funds Information for States

- FFIS makes estimates allocations for \$694 billion of IIJA funds, of that it estimates New Mexico will receive about \$5.8 billion.
  - \$96 billion unallocated
- Includes grants to the state, funds flowing-through the state and funds provided directly to local governments.



# IIJA Funding: Transportation Programs

U.S. Department of Transportation Programs in IIJA  
amount in billions and percent funded through formula grant



- Most transportation programs are allocated through formula programs, but the IIJA represented a growing number of competitive grant programs
  - Applications for competitive programs can cost over \$200 thousand, with no guarantee of funding.



# IIJA Funding: New Mexico Allocations

**New Mexico Allocations for IIJA Transportation Programs**  
in millions

Category	Formula	Non-Formula	Total
Airports		\$116,344.3	\$116,344.3
Electric Vehicles	\$38,387.9	\$67,770.0	\$106,157.9
Public Transportation	\$377,635.7	\$49,743.3	\$427,379.0
Resilience	\$69,640.4	\$2,000.0	\$71,640.4
Roads and Bridges	\$2,544,644.3	\$273,845.5	\$2,818,489.8
Safety	\$228,195.8	\$40,398.5	\$268,594.2
<b>Total</b>	<b>\$3,258,504.1</b>	<b>\$550,101.6</b>	<b>\$3,808,605.7</b>

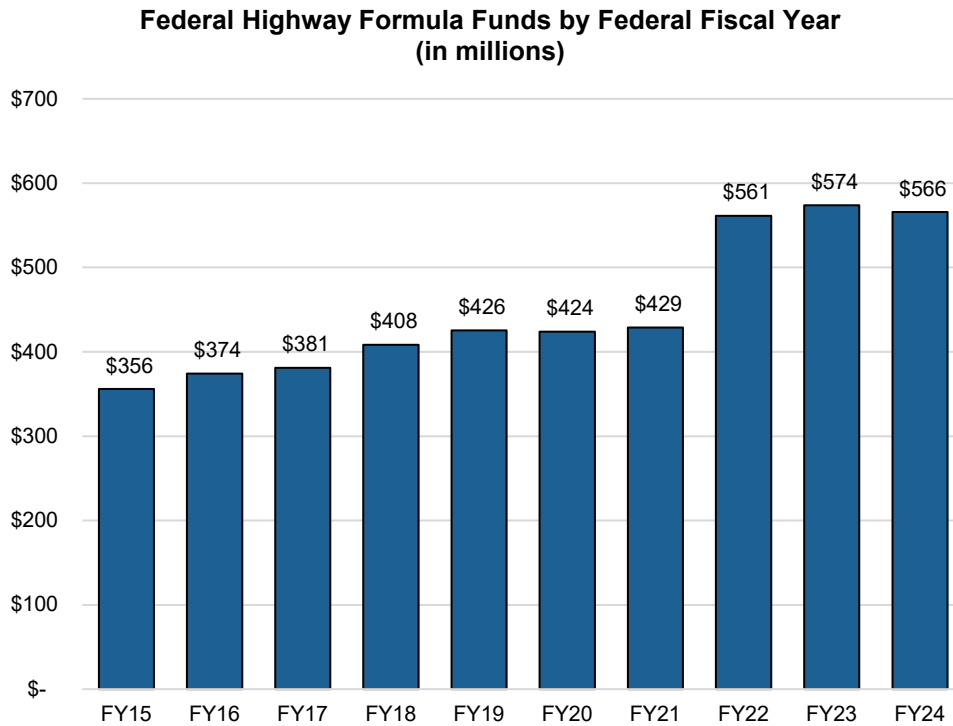
Source: Federal Funds Information for States

■ While most of New Mexico's transportation funding comes through formula grants, agencies including NMDOT have been successful in winning \$550 million in discretionary funds

- \$71 million: Nogal Canyon bridge on I-25
- \$64 million: EV charging facility on I-10
- \$60 million: US-64 in San Juan County
- \$25 million: ABQ Uptown Transit Center
- \$14 million: Taos Pueblo road reconstruction



# IIJA Funding: Highway Formula Programs



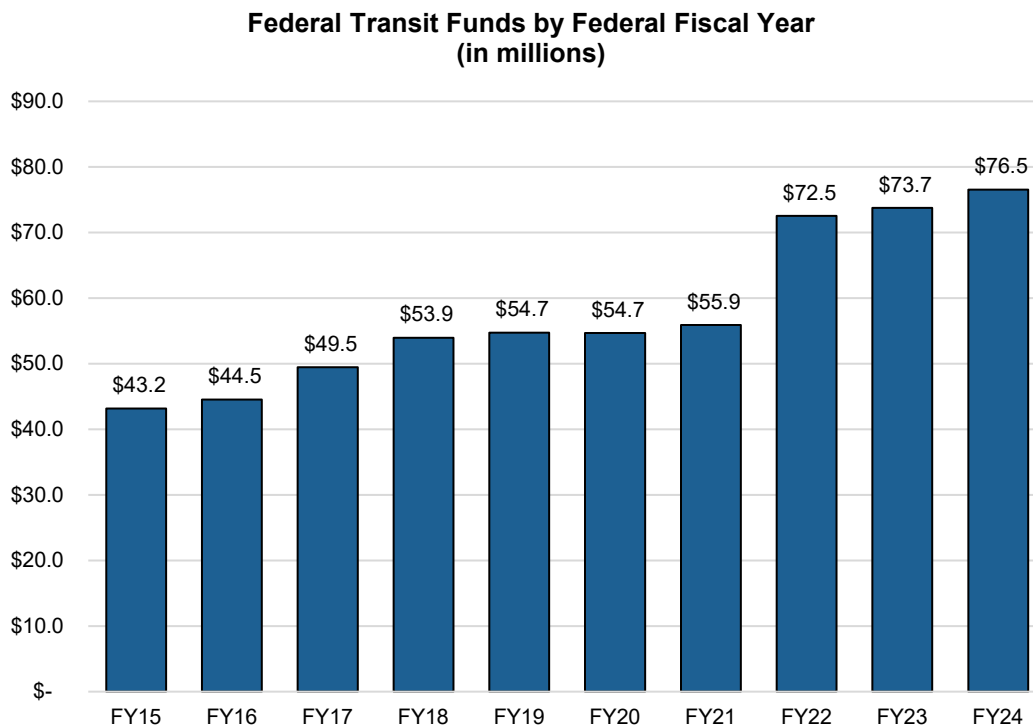
Source: FFIS

- NMDOT receives nearly half its operating budget revenue from federal highway formula funds.
- Without this support, major road projects would not be possible.
- Receipt of these funds dependent on non-federal match, generally 15 percent to 20 percent.





# IIJA Funding: Transit



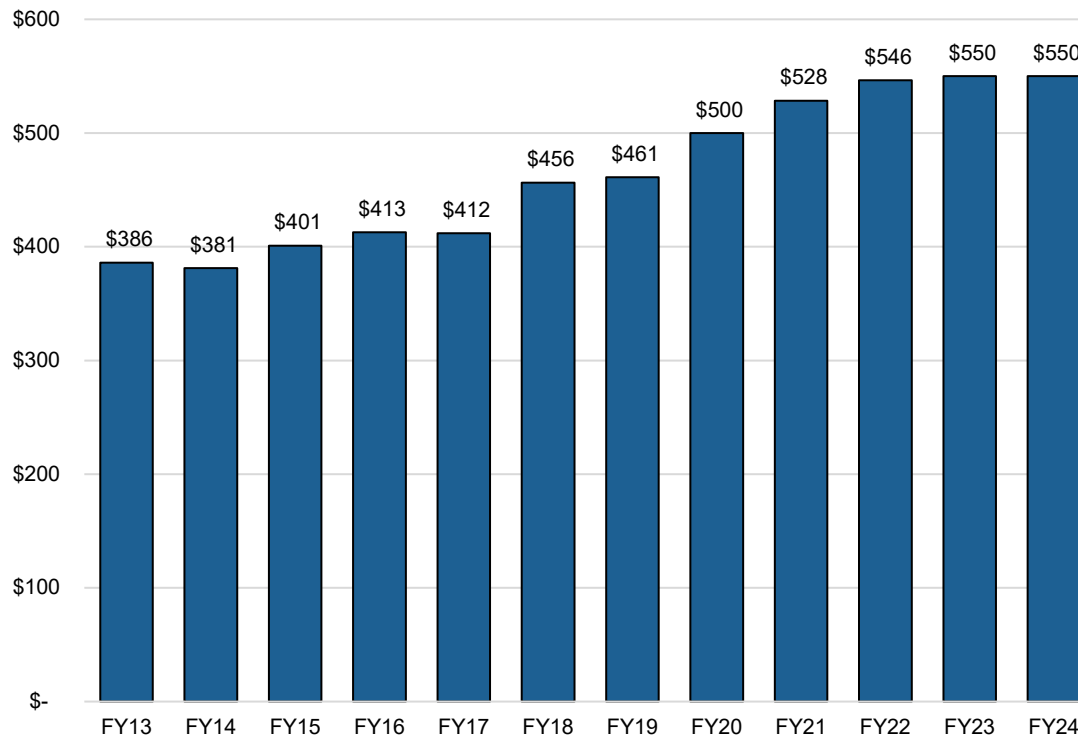
Source: FFIS

- Federal transit programs are the second largest area of funding from the federal government.
- Most federal transit funding flows through NMDOT to local operators.



# State Funding: State Road Fund

State Road Fund Revenue by Fiscal Year

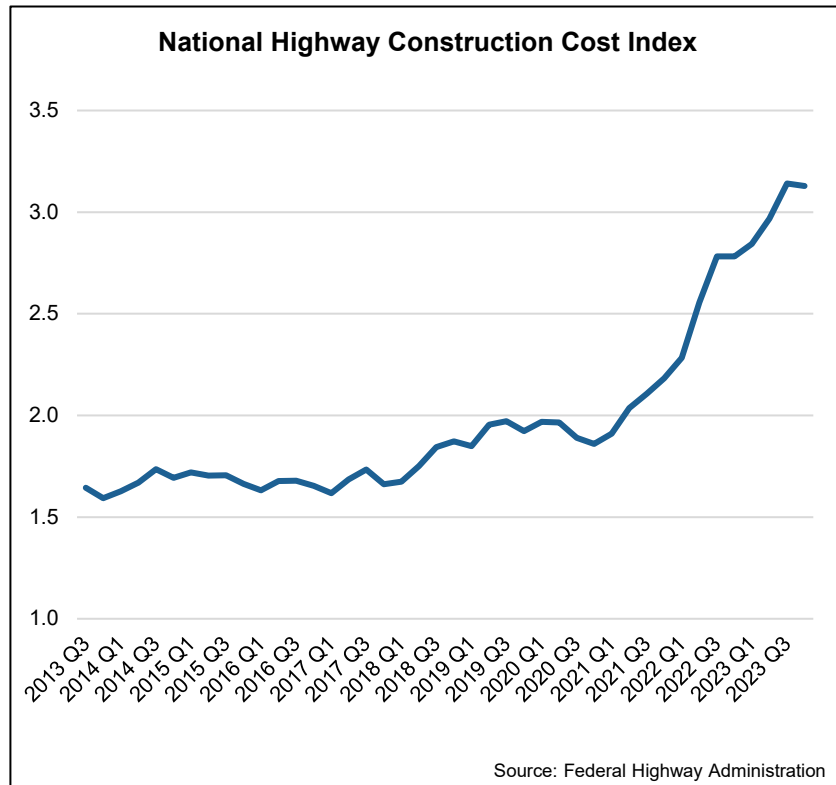


Source: LFC Files

- The state road fund is NMDOT's primary operating account; 84 percent of NMDOT's state revenue goes to the road fund.
- In the last decade, revenue into the road fund has grown by 42 percent, an average of 3.8 percent per year.



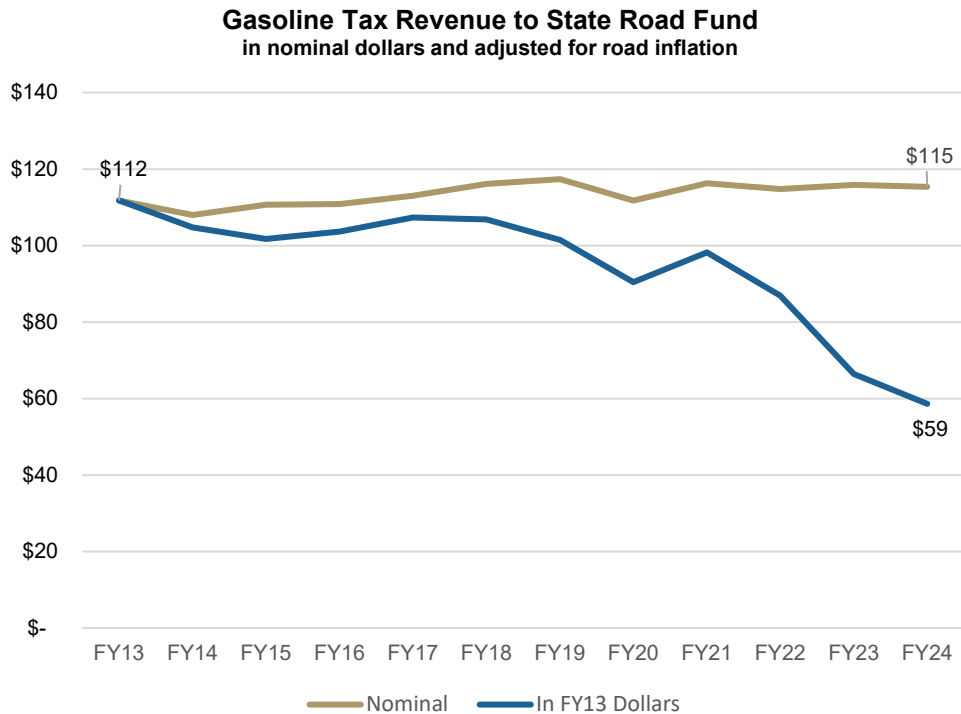
# Highway Construction Costs



- The Federal Highway Administration reports a significant uptick in highway construction costs.
- Between December 2020 and December 2023, costs rose by 40 percent, an average of 13 percent per year.
- Prior to that, costs were rising more moderately, but since 2013 costs have increased by 90 percent, an average of 8.2 percent per year.



# State Funding: State Road Fund: Gasoline Tax

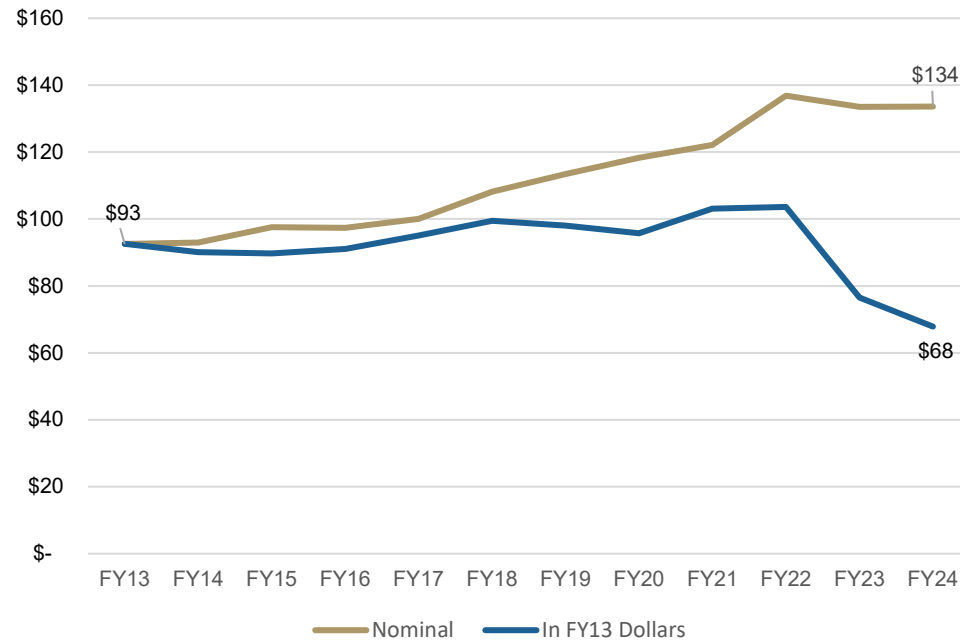


- Traditionally, gasoline taxes were the largest source of revenue for the state road fund.
- Revenue has stagnated over the last decade as cars have become more fuel efficient.
- Revenue for the state road fund show gasoline taxes are likely to fall in the future, both in real and nominal terms.

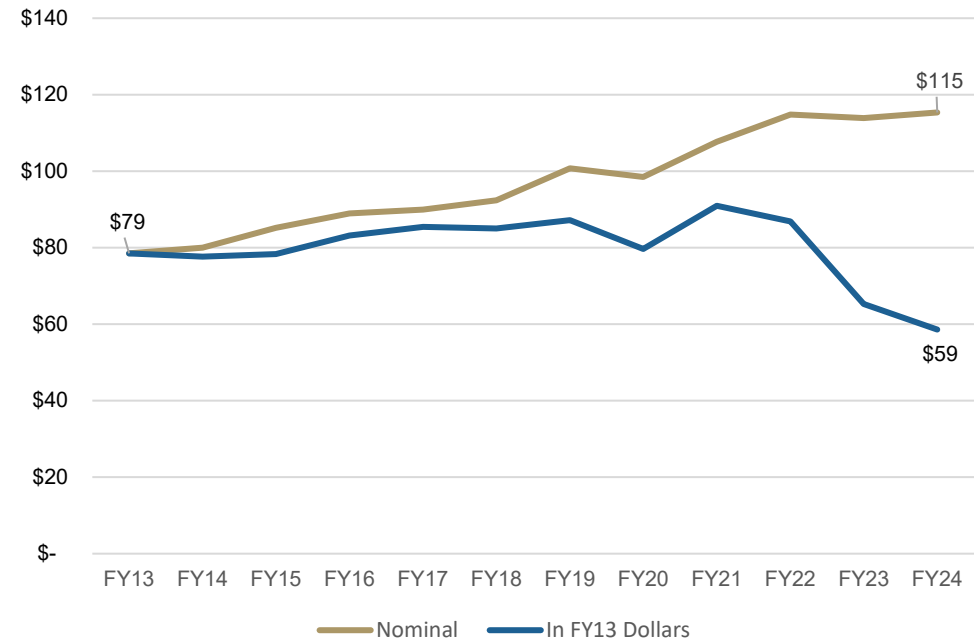


# State Funding: State Road Fund: Special Fuels, Weight-Distance Tax, and Trip Tax

**Special Fuels Tax (Diesel) Revenue to State Road Fund**  
in nominal dollars and adjusted for road inflation

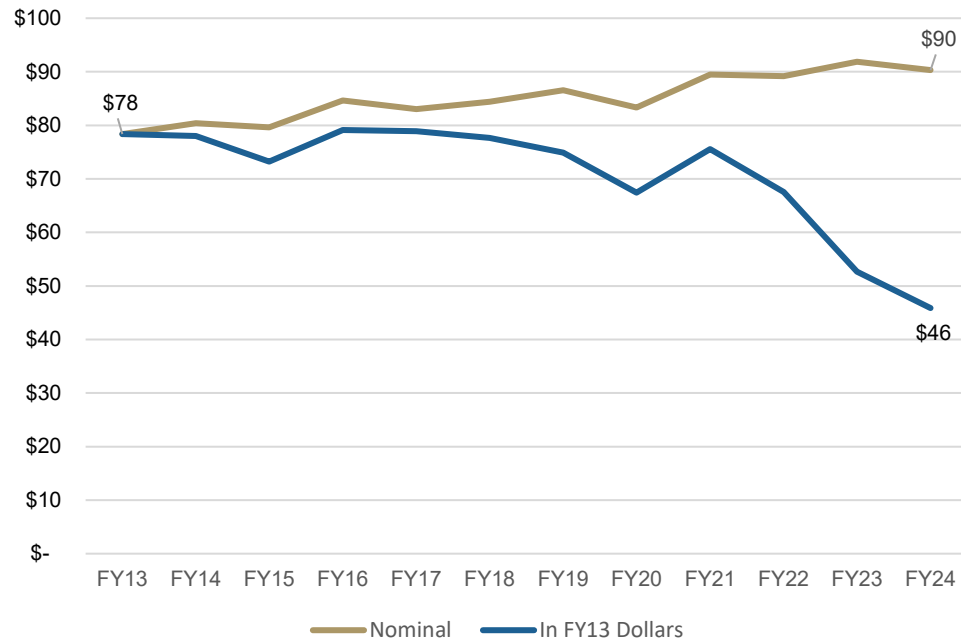


**Weight-Distance and Trip Tax Revenue to State Road Fund**  
in nominal dollars and adjusted for road inflation

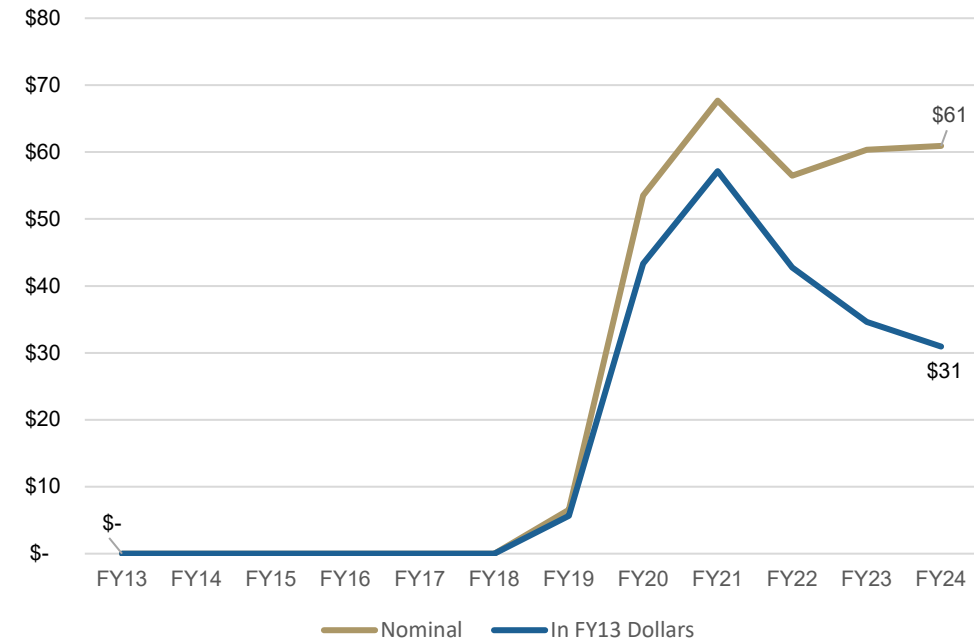


# State Funding: State Road Fund: Registration Fees and Motor Vehicle Excise Tax

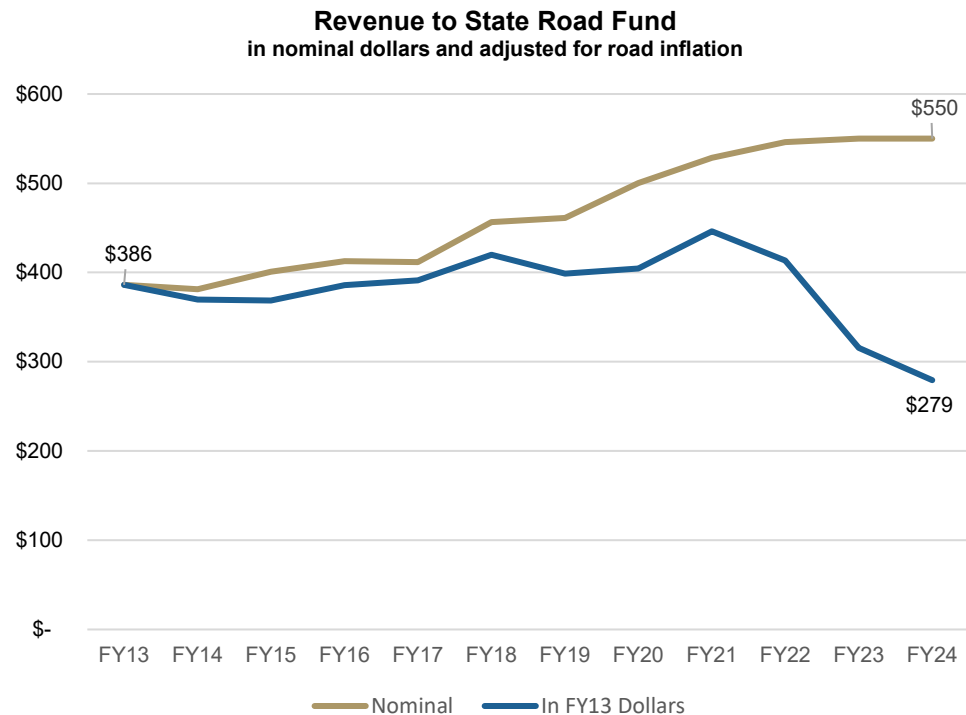
**Registration and Drivers License Fees to State Road Fund**  
in nominal dollars and adjusted for road inflation



**Motor Vehicle Excise Tax Revenue to State Road Fund**  
in nominal dollars and adjusted for road inflation



# State Funding: State Road Fund

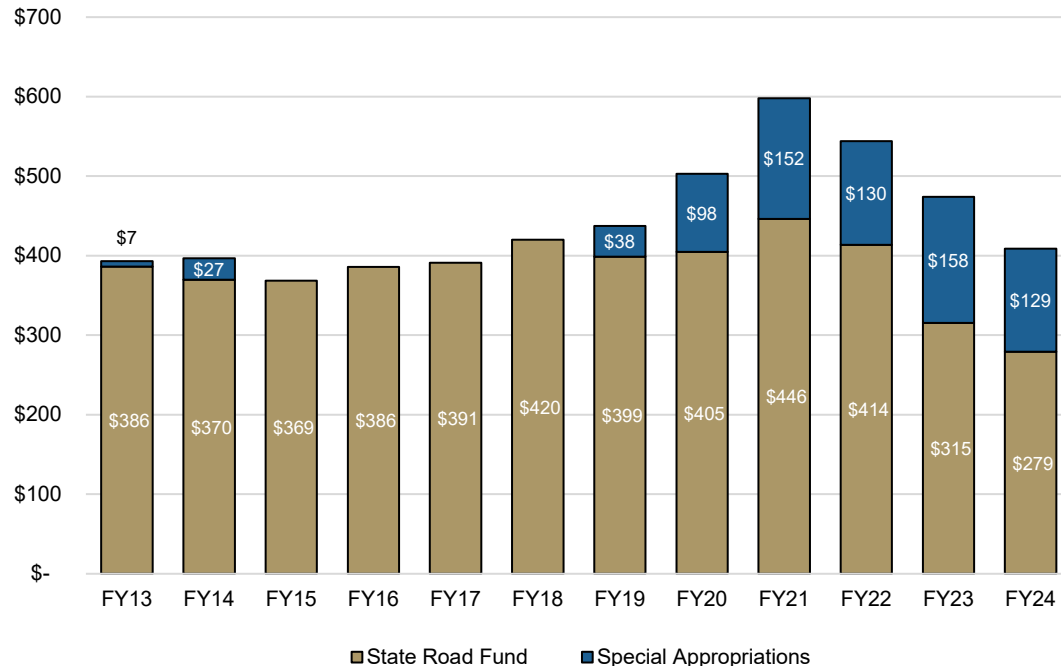


- Despite an increase in revenue in nominal terms, recurring revenue into the road fund has fallen significantly in real terms.



# Response to Stagnant Revenue

State Road Fund Revenue and Special Appropriations  
in 2013 dollars



- In recent years, the Legislature has used special appropriations from the general fund, which has helped the department avoid some of the impacts of rising costs.
- In real terms, purchasing power remains level with a decade ago, but below peaks reached in 2021.

Note: Special transportation appropriations generally cover multiple fiscal years. Fiscal year was assigned by year of expenditure.

Source: LFC Files, SHARE





# Question and Contact Information

---

Joseph Simon  
Fiscal Analyst  
Legislative Finance Committee  
505-986-4564  
[joseph.simon@nmlegis.gov](mailto:joseph.simon@nmlegis.gov)

