

Funding for the Fiscal Year 2009 Surface Transportation Program

Nebraska's Surface Transportation Program is financed by three major funding sources — state, federal, and local funds.

State Funds

Nebraska is a “pay-as-you-go” state using the traditional revenue sources to fund the needs of the State Highway System. State funds are derived from three primary highway user revenue sources: (1) fuel taxes {gasoline, gasohol, and diesel}, (2) sales taxes on new and used motor vehicles, trailers, and semi-trailers, and (3) motor vehicle registration fees.

Fuel taxes comprise about 68% of state revenues, sales taxes generate about 20%, registration fees make up about 9% and the remaining 3% are derived from various miscellaneous revenue sources.

The FY-2009 State Highway System program is based on state revenues of \$370 million. Approximately \$177 million of state revenue is available for the state highway construction program. The remaining \$193 million is set aside for routine highway maintenance, administration, capital facilities, supportive services, carrier enforcement, transit, rail, and construction overhead. Also, about \$6.8 million of State Recreation Road, Grade Crossing, and State-aid Bridge funds is available for projects both on and off the State Highway System.

Federal Funds

Federal funds are derived from user revenues paid to the Federal Highway Trust Fund, and correspondingly, the return of those revenues to the states based on a reimbursement

program, not through a grant process. The majority of these revenues come from the federal gasoline and diesel fuel taxes. Revenues are also derived from heavy vehicle sales and use fees and taxes on tires.

Funding allocations have been historically determined based on dollars authorized by a multi-year transportation act. Then, each year Congress provides funding to the states through an annual appropriation process. The Federal Highway Administration distributes the funding by means of formula allocations as defined by law.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy For Users (SAFETEA-LU), authorized funding for five fiscal years, 2005 through 2009. If Congress doesn't correct the projected deficit in the Federal Highway Trust Fund that is expected to occur in FY-2009, Nebraska could see a significant reduction in our share of federal funds. The FY-2009 highway construction program size has been reduced to reflect this uncertainty.

All federal-aid highway funding made available to Nebraska is shared between the state, cities, and counties. Approximately 74% of federal highway funds are used on the state highway system and about 26% are used on the local system for county roads and city streets.

Local Funds

Local funds are comprised of state highway user fees allocated by formula to the cities and counties from the State Highway Allocation Fund, approximately \$196 million.

Fiscal Year 2009 Surface Transportation Program

State System	
Funding	
State	176.623
Federal	140.000
	\$ 316.623
Categories	
Construction	303.539
Planning	7.000
Research	1.300
ITS	4.784
Grand Total	\$ 316.623
Local System	
Funding	
Federal	49.000
Highway Allocation Fund	196.563
Recreation Road & State-aid Bridge	6.913
	<u>\$ 252.476</u>
Grand Total	\$ 569.099

State System

The FY-2009 State Highway System program includes 153 new projects for a total of \$303.5 million. Additionally, \$7.0 million is included for statewide planning, \$1.3 million for research, and \$4.8 million for Intelligent Transportation Systems.

Local System

The local system program will eventually include those projects selected by the cities and counties for FY-2009 as determined through the local planning and programming processes.

The local system program includes highway user fee revenues available from the Federal Highway Trust Fund, State Highway Allocation Fund and State Recreation Road and State-aid Bridge funds for a total of \$252.5 million.