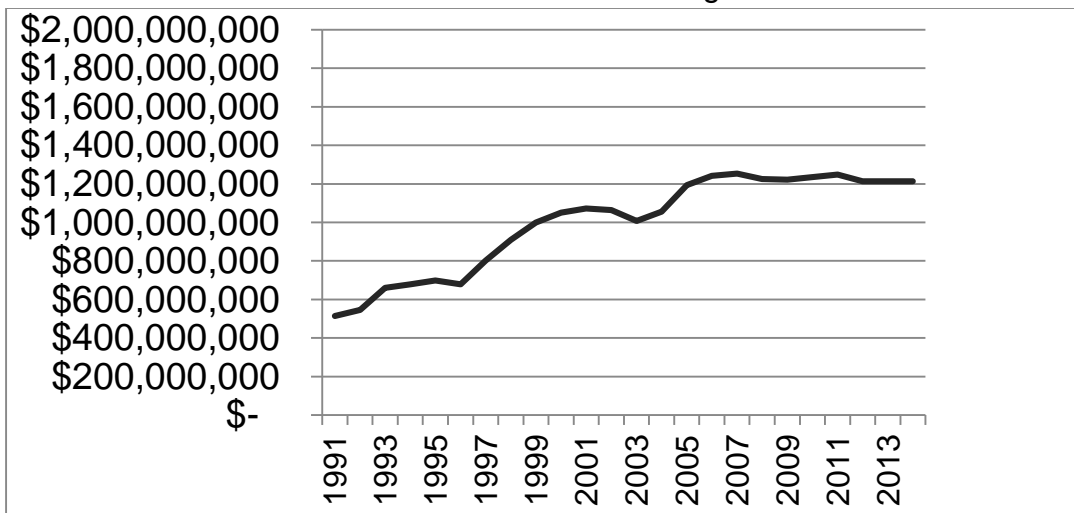


# Alabama Highway Funding Status

Prepared January 2015

Over the last ten years, fuel tax revenues have been stagnant. Inflation, however, has continued to increase the cost of construction. Funds received by ALDOT, but diverted by legislative act for other than state highway maintenance or construction purposes, have also increased. It has been estimated that the current purchasing power of ALDOT's revenue is approximately what it was in 1991, prior to the last state and federal gas tax increase. This also represents about a 35% loss in purchasing power over the last 10 years.

Combined Federal and State Funding 1991 - 2014



The combination of flat revenue and higher costs results in less roadway construction work being performed. Even though the dollar value of state construction has remained relatively constant, the number of projects has been reduced. System preservation (maintaining what we have) is given a higher priority over building new roads or expanding existing roads. This means less projects to add capacity, in spite of frequent demands for new roads and added lanes. Approximately 53% of ALDOT's budget currently is planned for maintenance activities (resurfacing, bridge replacement, routine maintenance), 24% goes to cities, counties and other state agencies, 7% to adding capacity, 6% to overhead, 4% to safety and 3% to other.

Based on the current trend of rising costs and flat revenue, it is anticipated that less capacity work will be performed in the future in order to keep up with our maintenance needs. At some point, all we will do is maintenance and no funding will be available for new roads and added lanes.