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Report Highlights

Transportation Trust Fund (TTF)

Audit Control # 80140021
Financial Audit Services • August 2015

Why We Conducted This Audit

The Louisiana Department of Transportation and Development (DOTD) has an estimated backlog of construction projects totaling approximately \$12 billion. As the costs of construction increase, there has been an increased concern that state and federal funding will not be sufficient to address the transportation infrastructure needs of the state.

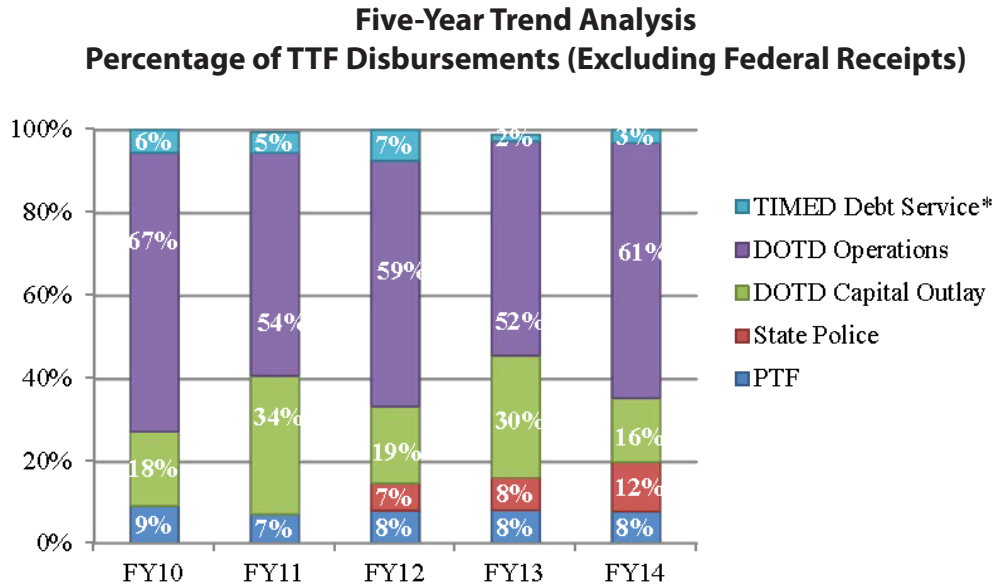
What We Found

- With inflation and the rising cost of construction, declining federal funding, and only modest growth in state funding, the revenues of the TTF may not be sufficient to address the transportation infrastructure needs of the state without additional or increased revenue sources and/or changes to the allocation of TTF funds.
- Based on the information obtained and procedures performed, TTF revenues are being distributed as required by law. For fiscal years (FY) 2010 through 2014, motor fuels taxes and federal receipts have represented at least 92% of the total TTF revenue.
- More than \$138 million (or 4.9%) of the total \$2.8 billion of the 16-cent motor fuels tax collected from FY 2009 through FY 2014 has been used to supplement the TIMED debt. An additional \$1.2 billion of the 16-cent tax is projected to be needed over the next 30 years to pay off the TIMED debt.
- TTF disbursements to the State Police for FY 2012 through FY 2014 totaled \$152.7 million, and the FY 2015 appropriated amount was \$59.8 million. Act 380 of the 2015 Regular Session restricts the amount of TTF funds that can be appropriated to the Office of State Police to \$45 million for FY 2016, \$20 million for FY 2017, and \$10 million for FY 2018 and each fiscal year thereafter.
- Based upon the appropriations and revenue projections for FY 2015 and five prior fiscal years, the Parish Transportation Fund (PTF) funding requirement has been met and has been exceeded by approximately \$99 million over the last six fiscal years.
- The majority of TTF funds are used by DOTD for capital outlay; however, if federal receipts are excluded, the majority is used for DOTD operations.
- Methods considered by Louisiana and other states to increase transportation funding include: increasing taxes on motor fuels, turn over roads to local governments, dedication of state sales tax, vehicle miles traveled fees, rental car taxes, tolls, public-private partnerships, and selling bonds.

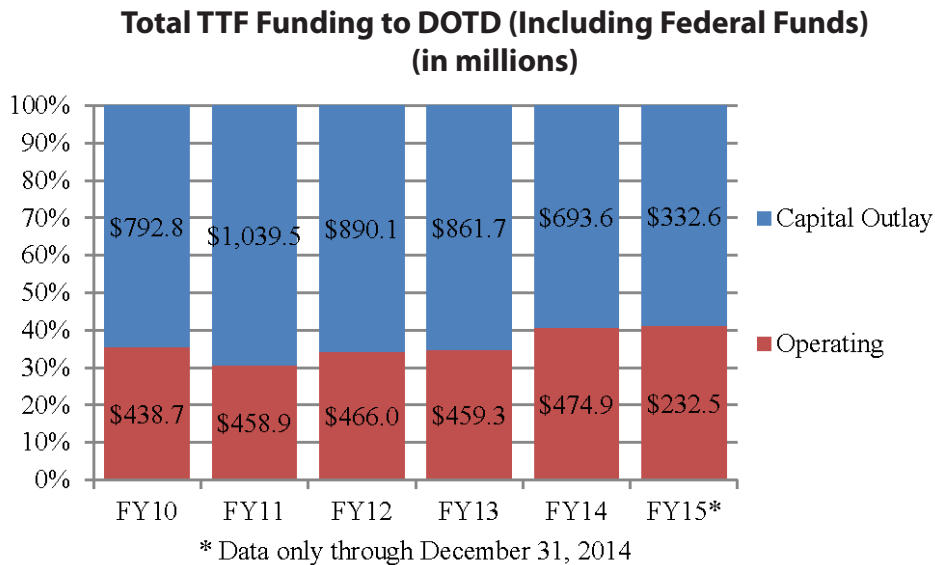
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Transportation Trust Fund

What We Found (Cont.)



*This includes only the additional monies used in excess of the \$.04 tax dedicated for debt service
Source: Prepared by LLA staff using data obtained from ISIS using Business Objects and DOTD Capital Outlay AFR



Source: Prepared by LLA staff using unaudited data obtained from ISIS using Business Objects and DOTD AFR