



Transportation Funding & Needs

TACIR Dec. 2025 Commission Meeting

Commissioner Will Reid, PE

Vision & Mindset: The Same – Deliver the 10 Year Plan

Relentlessly Pursue Excellence In



Program Delivery



Staff Development



System Modernization

TDOT Leadership Priorities



Strategic Alignment
of People, Process &
Technology



Deliver Major Projects



Advance Funding
Education &
Communication

Where Does TDOT Revenue Come From

Federal Gas Tax



18.4¢
per gallon

since 1993

\$1.5B
Federal
Funding

\$59.M
Other/Local
Funding

FY 27
Total Revenue
\$2.9B

\$1.1B Highway
User Fees

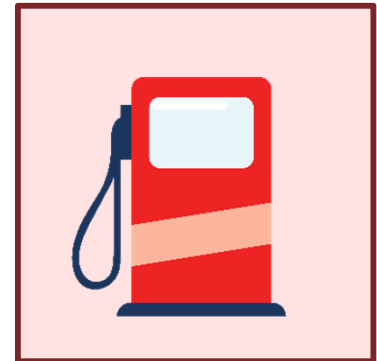
\$127M Bond
Authorization

\$83.2M General
Fund Transfers

\$47.3M
Miscellaneous
Revenues

\$18.3M
Transportation
Equity Fund

TN State Fuel Tax



26¢
per gallon

since 2017

State User Fee Collections

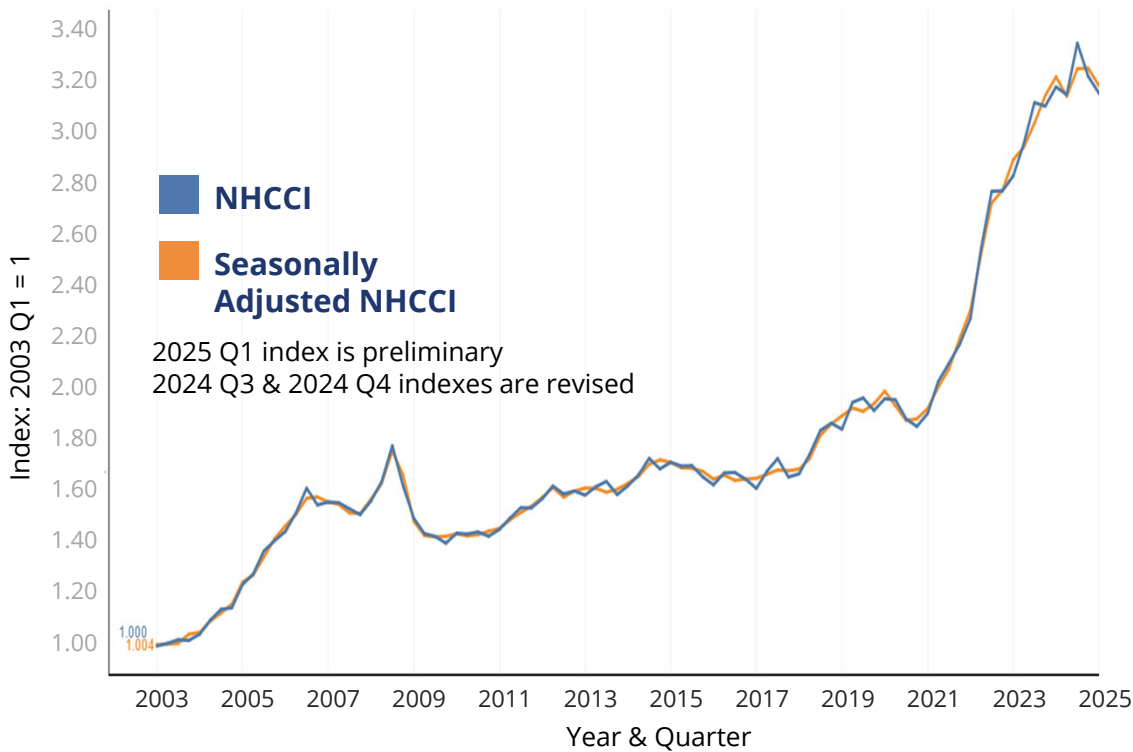
Category	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Budgeted
Gas	\$529M	\$532M	\$532M	\$537M	\$536M
Diesel	\$235M	\$233M	\$234M	\$234M	\$237M
Special Petroleum	\$39M	\$39M	\$39M	\$39M	\$40M
Vehicle Registration	\$309M	\$215M	\$313M	\$332M	\$317M
Tire Tax	\$0	\$0	\$0	\$0	\$80M
Subtotal	\$1.112B	\$1.019B	\$1.118B	\$1.142B	\$1.210B
% Change	4%	0%**	0%	2%	-1%*/6%

*Variance without tire tax.

**Due to normalizing for vehicle tax registration holiday; Results in \$1,113 in FY23

Inflationary Effects in Highway Construction

National Highway Construction Cost Index



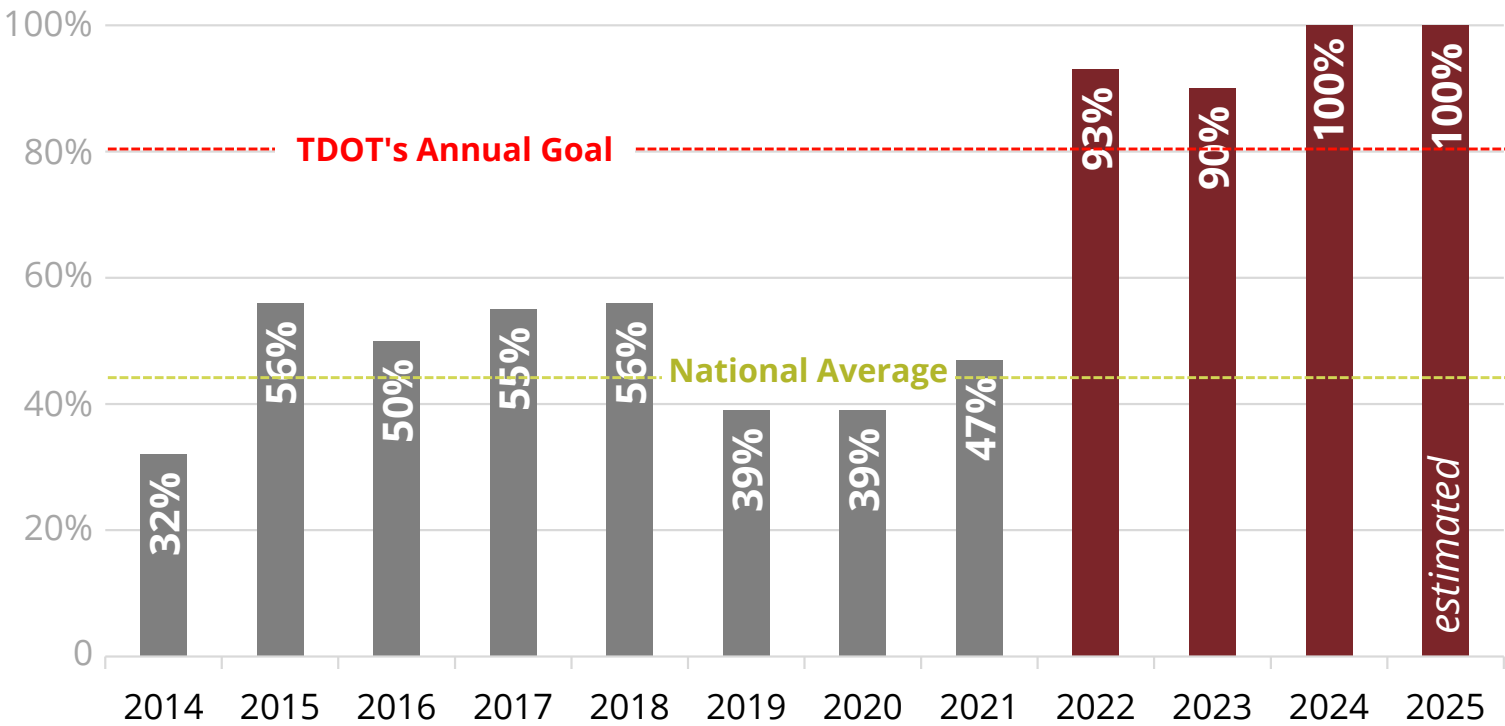
While the CPI has steadily increased, inflationary effects on highway construction costs have been even more significant

Average Cost Escalation Since FY19

Concrete Pipe	+101%
Guardrail	+80%
Concrete	+77%
Labor	+56%
Concrete Catch Basins	+55%
Steel	+55%
Aggregate	+49%
Hot Mix Asphalt	+47%
Earthwork	+45%
Pavement Markings	+39%

Higher Delivery Reduces Maintenance Flexibility

Percentage of Projects Delivered Every Year

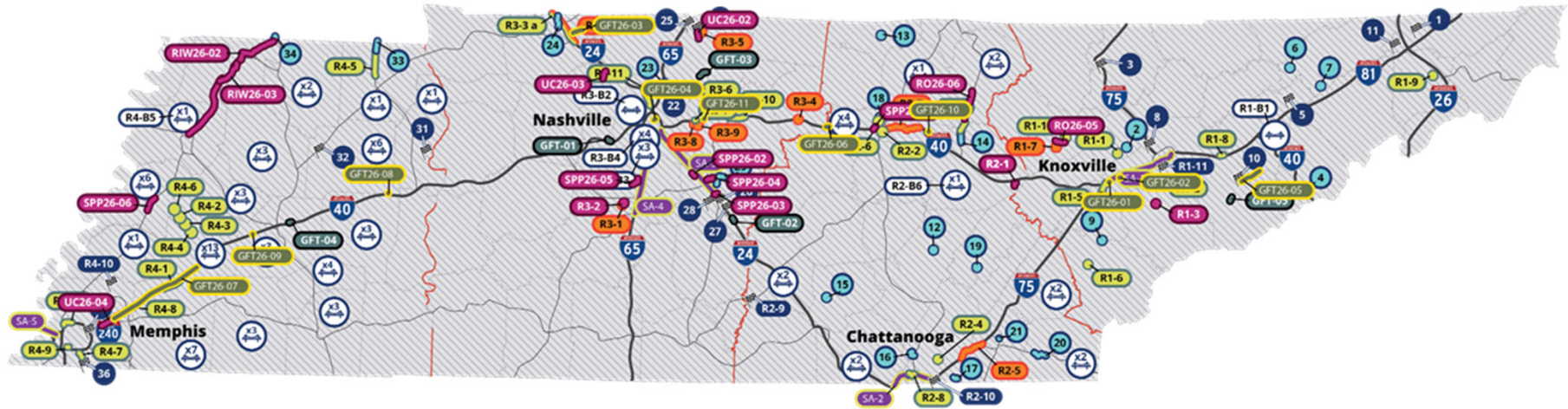


TDOT's "Finish what you Start" mentality has **increased project delivery.**



That commitment reduces costs over time but **eliminates budgetary flexibility** to cover maintenance activities.

10-Year Plan



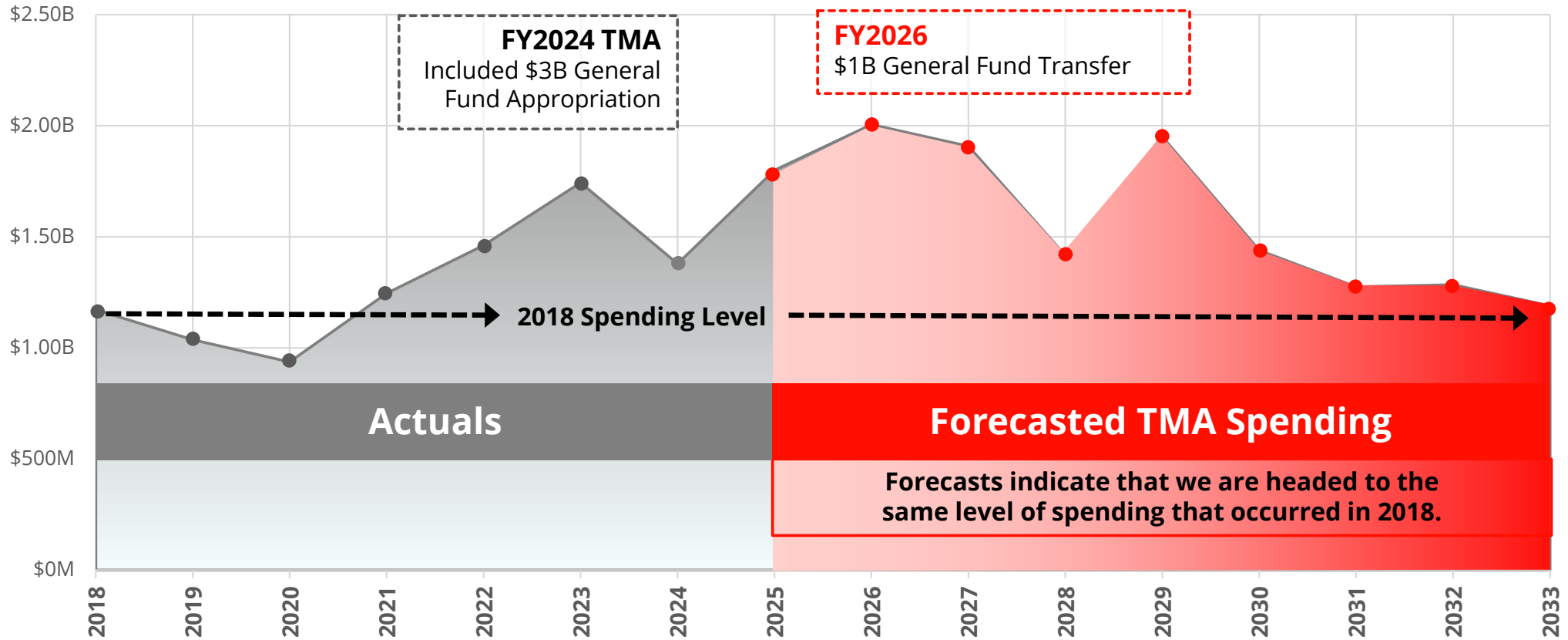
**First issued:
December
2023**

**Last updated:
Spring 2025**
updated annually
each spring

Status

- 92 initial projects included
- 16 projects added in Spring 2025
- Includes 76 projects listed in the IMPROVE Act
- 34 projects delivered or scheduled to be delivered to construction between FY24-FY6

Past Contract Letting and Spending Forecast



IMPROVE Act

PROPOSAL

962
Projects Listed,
12 cent gas tax
increase, indexed
to inflation

APPROVED

962
Projects Listed,
6 cent gas tax
increase phased
in over 3 years,
no indexing to
inflation

STATUS

(as of 9/30/2025):

- **32% or 310 projects** completed or delivered to construction
- **68% or 652** projects yet to be delivered*
- **Cost to deliver these projects is up 45%**

**689 of the 962 projects are bridge projects that are delivered based on need, meaning these projects commence once the need for replacements is determined.*

10-Year Plan Development

IMPROVE Act

962 Original Projects

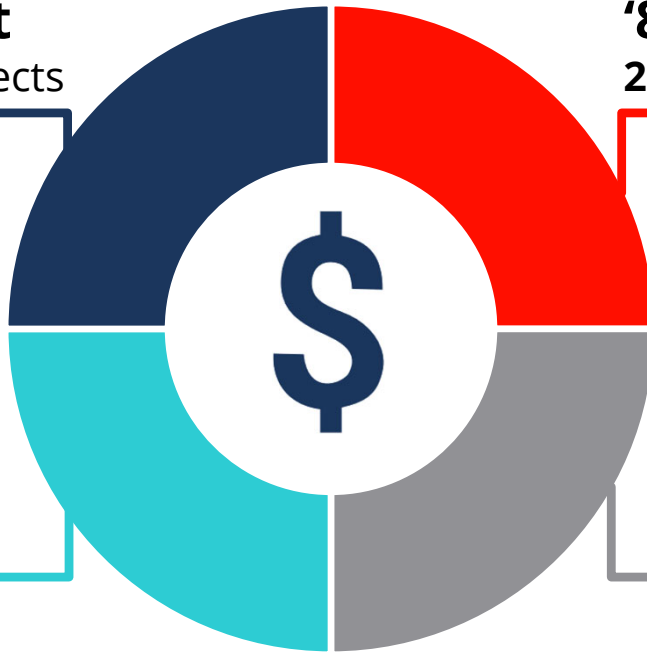
273 Roads Projects
689 Bridge Projects

'86 Road Program

243 Original Projects

Emergent
Needs

Community
Input



TDOT
10-Year
Plan



Thank You

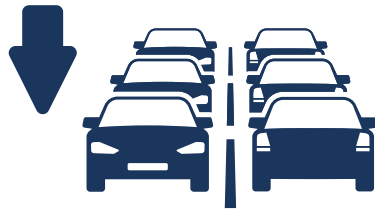
Department of Transportation

December 2025

Why Choice Lanes?



Funding limitations



Programmatic approach
to relieving congestion

\$5B+
I-24 Southeast
Corridor

\$1.2B+
Total Annual
Work Program



\$38B+
Identified Need

Note: Illustrative representation only

I-24 Southeast Choice Lanes

Project Overview

- 26 miles of new, optional Choice Lanes on I-24 between Nashville and Murfreesboro and along I-40 between downtown loop and Briley Parkway
- 2 Choice Lanes each direction + 4 General Purpose Lanes
- New access points / Choice Lanes connections to arterial roadways

Current Status

- Preliminary design
- Environmental & traffic studies
- P3 Developer procurement

**Project limits are under evaluation and are subject to change.*



State and Federal Contributions

Both TIFIA and Private Activity Bonds (PABs) significantly reduce the cost of capital by hundreds of millions of dollars and increase private sector interest



Together, these federal credit assistant tools form a robust, financeable structure and increase competitive interest

- TMA identified **\$250M** set aside for I-24 Choice Lanes Project
- **\$2B** in PABs secured for I-24 Choice Lanes Project
- TIFIA loan will cover **49%** of total project cost

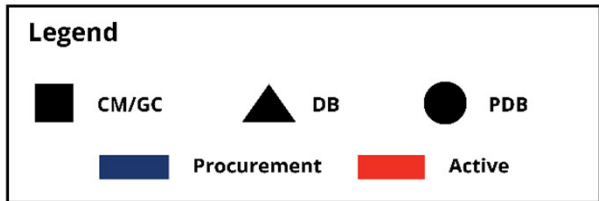
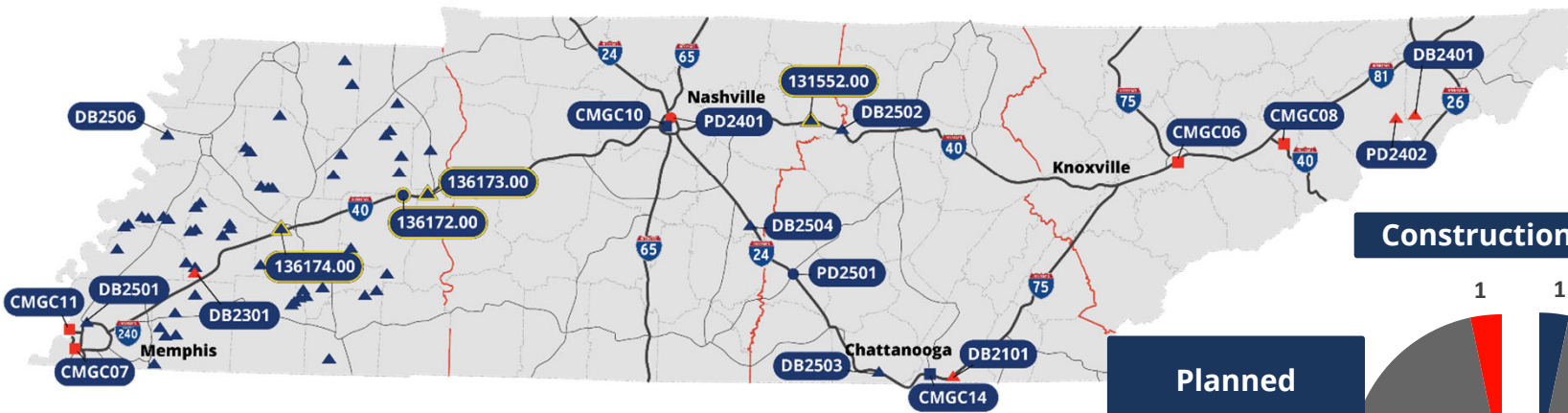
Alternative Delivery: Projections

Region 4

Region 3

Region 2

Region 1



Active AD Projects

