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# Funding Spotlight: Meeting the Needs of the Crossroads of America

Indiana Transportation Team  
Partnering Conference

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# INDOT 2025 Agency Goals

## Excellence in Core Service Delivery

- Deliver on 20-Year Plan Commitments
  - Prioritize taking care of what we have.
  - Finish major projects.
  - Maximize federal and state funding opportunities.
  - Build and maintain a safe transportation network for all users and workers.
- Commit to Process Adherence Excellence
  - Follow processes and procedures.
  - Deliver core services effectively and efficiently.
  - Build on our commitment to great government service.

## Plan for the Future

- Enhance Sustainability, Resiliency, Access and Innovation in Our Transportation Network
  - Develop comprehensive plans for each of these areas.
  - Integrate these concepts into planning and decision making.
- Support Economic Development, Quality of Life, and Talent Attraction and Retention
  - Leverage transportation to strengthen communities, develop Indiana's economy, and grow the state's workforce.

## Focus on Safety

- Make traffic and mobility improvements that foster a 25% reduction in serious crashes (fatalities, incapacitating injuries) over the next 10 years.

## Enhance Internal Services

- Embrace Collaboration and Intra-agency Partnership
  - Continue breaking down silos.
  - Work together to achieve success.
- Optimize Internal Customer Service
  - Take care of team members in order to serve our customers.
  - Ensure team members have the support, tools and resources to get the job done.
- Advance Our 21st Century Workforce
  - Continue to prioritize training, communication and programming to develop, attract and retain talented team members.

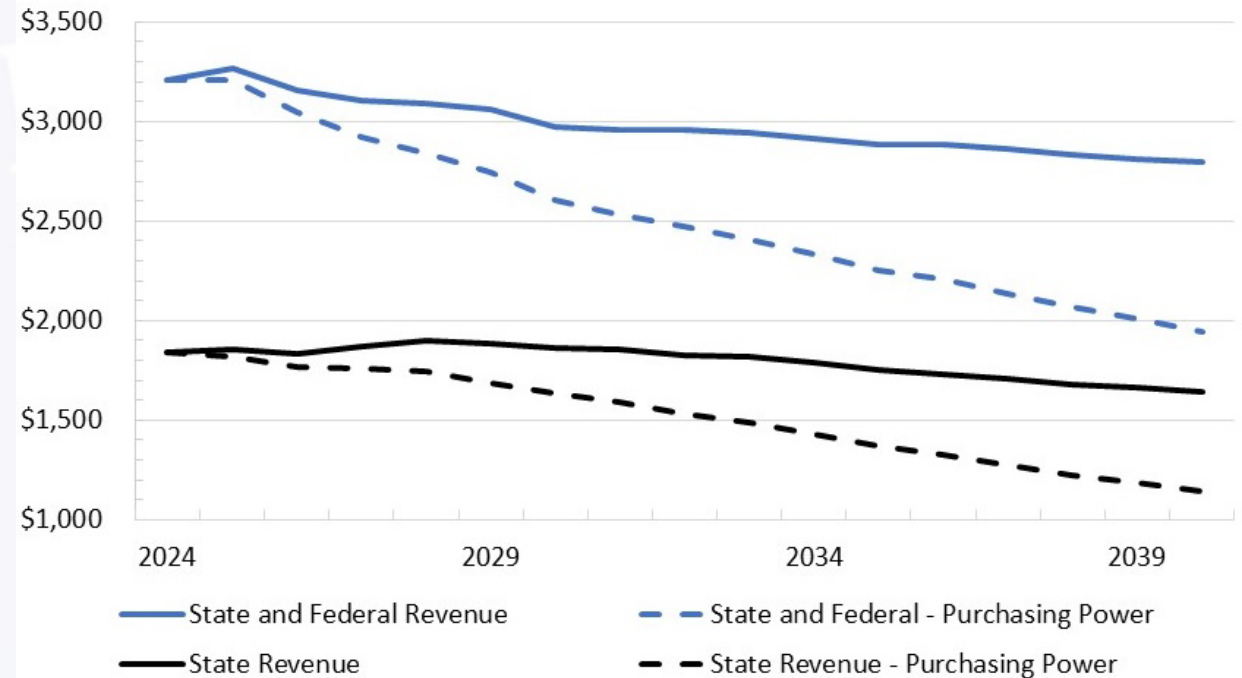
## Intentional Partnership

- Build and Strengthen Relationships
  - Cultivate and maintain great relationships with external partners to drive success.
- Emphasize Strategic Communication, Collaboration and Outreach
  - Practice meaningful, two-way communication.
  - Collaborate with purpose for the benefit of partners and INDOT.

# INDOT Purchasing Power

INDOT expects state transportation revenue and its purchasing power to decrease steadily over the next 25 years.

- The solid lines are INDOT's projected revenue from state and federal sources through 2040.
- The dashed lines represent the purchasing power of this revenue. Each year, because of inflation, INDOT can buy less with a dollar than it can today. Therefore, additional revenue would be needed every year to maintain the current purchasing power.
- For example, INDOT projects revenue from state sources in FY2035 will be about \$1.75 billion. However, due to the compounding effects of inflation, INDOT will only be able to purchase the equivalent of \$1.37 billion in today's dollars.

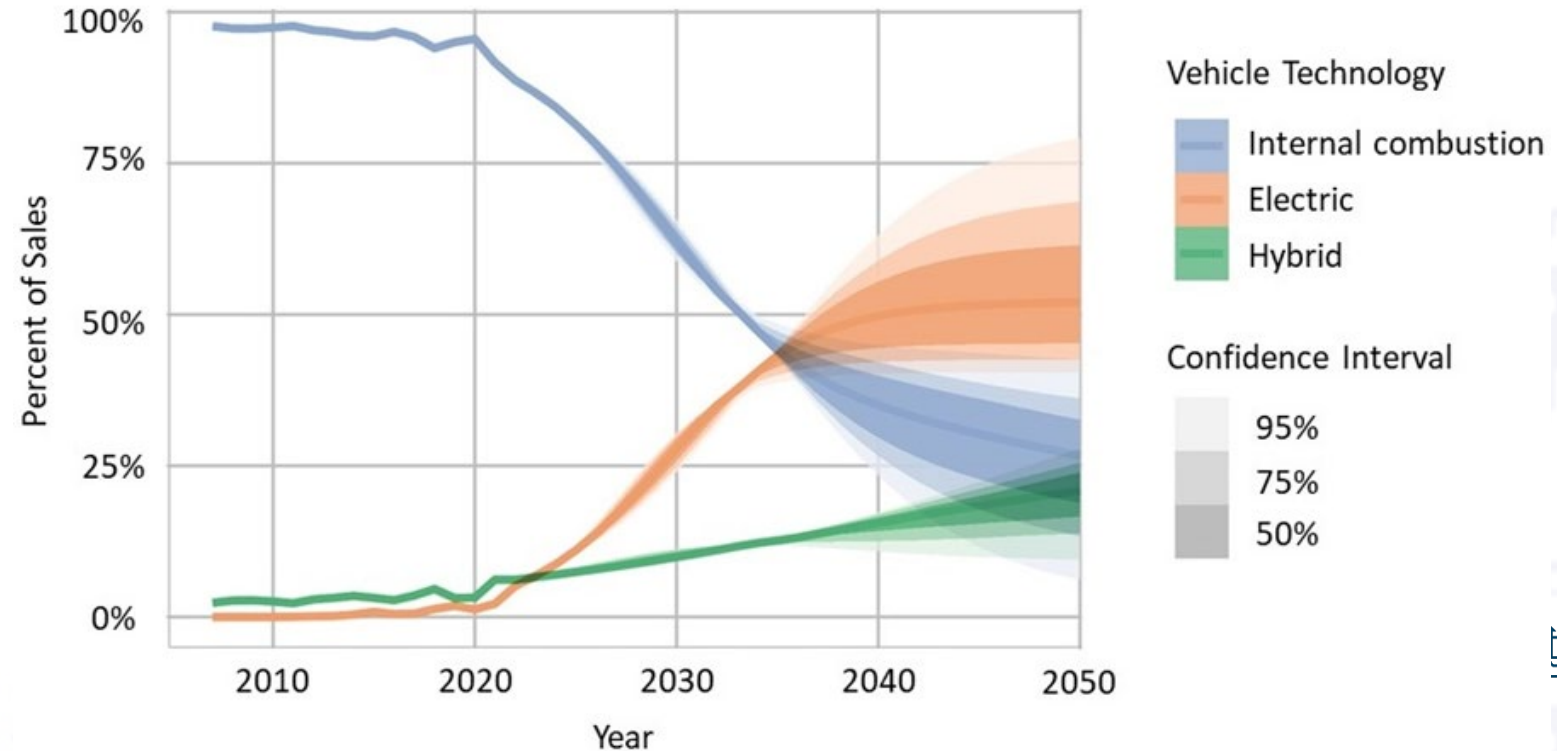


# Revenue Changes

## Adoption of electric and hybrid vehicles in the US:

- The number of electric and hybrid vehicles in the US is expected to increase over the next 25 years. However, there is significant debate about the timing and extent of the increase.
- The projections were developed by government organizations, industry research, consulting firms, and academia.
- This figure shows the results of INDOT's analysis. It illustrates a higher level of confidence through 2035, with significant unknowns after that.

Projected Light  
Duty Vehicle  
Sales



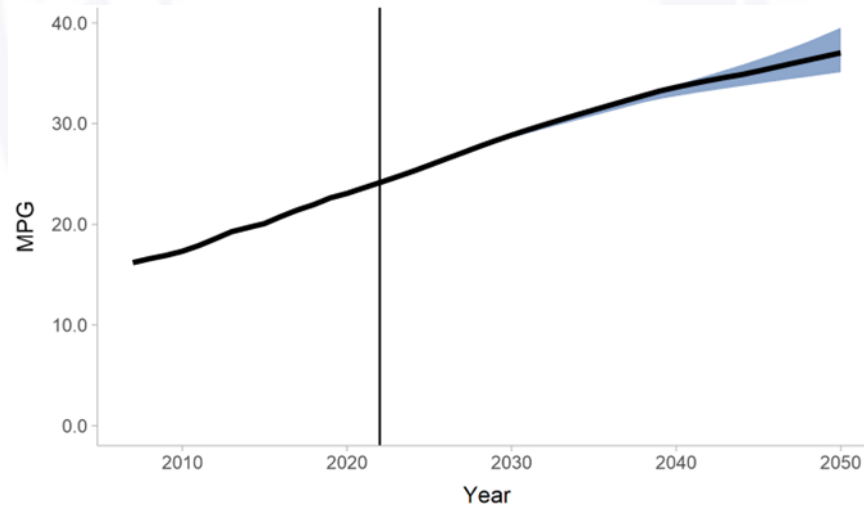
# Revenue Changes

Reasons for expected drop in INDOT revenue:

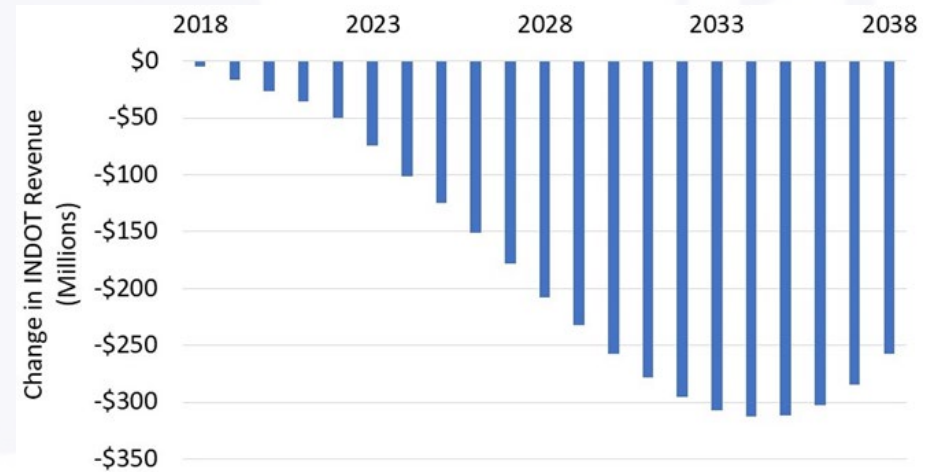
## Improved Fuel Efficiency

- Based on current CAFE standards and other market forces, the average fuel efficiency of light duty vehicles in Indiana has improved by about 15% since 2017.
- The most likely outcome is an increase from 24 MPG in 2023 to 37 MPG by 2050.

Projected Fuel Efficiency of Light Duty Vehicles in Indiana



Impact on INDOT Revenue of Improved Fuel Efficiency



# Current Revenue and Asset Management Combined

- The following is the order in which INDOT allocates funding when building its budget:
  - Meet debt obligations and other previous commitments.
  - Fund operating expenses.
  - Preserve pavements and bridges based on recommendations from its asset management process.
  - Preserve other roadside assets, such as signs and drainage structures.
  - Finish ongoing major mobility projects.
  - Allocate any remaining funds to new major mobility projects, economic development investments, or multimodal features on roadways.

