

Executive Summary

Purpose

The Florida legislature requires that the Florida Department of Transportation (FDOT) evaluate the economic benefits of its five-year Work Program. FDOT conducts this analysis approximately twice per decade. This macroeconomic analysis estimates the effect of transportation investments on the state's economic competitiveness and compares the overall benefits and costs of FDOT's transportation investments.

The FDOT Work Program is made up of plans and budgets for five years of transportation projects and is developed collaboratively with metropolitan planning organizations and local governments in Florida. The Work Program includes transportation investments in highway, transit, rail, seaports and waterways, airports, spaceports, and related infrastructure.

Methodology

This analysis estimates the impact of investments made by the FDOT Work Program covering Fiscal Years 2023-2024 through 2027-2028. The macroeconomic analysis includes costs for both implementing transportation projects and for additional necessary support functions such as planning, operations, maintenance, and administration.

This analysis considers long-term gains in performance that result from investment in transportation infrastructure, using the best available Florida models and data on traffic forecasts, pavement and bridge condition, congestion, and crashes to measure improvements in travel time and reliability, vehicle operating costs, safety, and the environment.

This analysis also considers long-term gains in economic efficiency by applying a nationally recognized model to evaluate how transportation performance improvements such as congestion relief lead to economic growth through improved business productivity and competitiveness. The economic modeling captures effects on the Florida economy from supply chain impacts and greater consumer spending due to job growth.

The benefit-cost ratio equals the total benefits associated with Work Program projects divided by the cost of those projects.

Findings

Between 2024 and 2053, Florida is expected to realize \$4.26 of personal and business benefits for every dollar invested in the 2024-28 Work Program. The present value of the benefits these investments are projected to generate is approximately \$211 billion (2022 dollars). Additional benefits are summarized below:

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| Present value of non-business benefits | \$177 Billion |
| Present value of economic benefits | \$34 Billion |
| Total present value of benefits | \$211 Billion |
| Present value of Work Program and Moving Florida Forward budget (costs) | \$49 Billion |
| Net present value | \$161 Billion |
| Estimated benefit-cost ratio from infrastructure investments | 4.26 |
| Present value increase in personal income | \$24 Billion |
| Present value increase in gross state product | \$47 Billion |
| Present value increase in output | \$106 Billion |
| Average increase in annual employment | 21,000 |

Values are presented in 2022 of dollars, discounted at four percent to a present value in 2022. Analysis period is 30 years. Non-business benefits include the value of personal time and reliability, safety, personal operations and maintenance benefits, and other benefits from changes in travel and congestion relief. Economic benefits include labor income impacts on the Florida statewide economy and economic benefits of the seaport program. Numbers may not exactly add up due to rounding.