

## **CHAPTER 7 – FUNDING**

*The LCVMPO has many opportunities to fund the projects recommended in this plan. This chapter covers the funding categories and potential funding sources for both roadway and transit improvement. Two future funding scenarios and their respective outcomes are proposed in the chapter's conclusion.*

The Lewis Clark Valley Metropolitan Planning Organization (LCVMPO) is a newly designated MPO, with this being its first ever Long Range Transportation Plan. The LCVMPO is a bi-state MPO that includes the city of Lewiston, ID, the cities of Clarkston and Asotin, WA, as well as portions of Nez Perce County Idaho, and Asotin County Washington.

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) required that regional transportation plans be fiscally sound and that the project listing found within it is actually reasonably fundable with foreseeable transportation funding over the life of the plan document. In order to actually use the planning document as a goals and future vision document, and the TIP as a staging area for projects to be funded and constructed, the ISTEA legislation required that projects identified in the regional Long Range Transportation Plan for the MPO must be developed with financial constraint with the project costs in line with reasonably foreseeable project funding.

Due to the complexity of this urban area, there are many funding sources. Categories like roadway, transit, enhancement, and school trip safety show up on both sides of the state line. Other funding categories are specific by state; for example, Idaho is the only state in the metropolitan area that has an airport, so FAA funding is only applicable on the Idaho side. Also, Idaho has chosen to distribute certain federal transit dollars based on formula for metropolitan areas, where they are more discretionary allocations on the Washington side. Conversely, in Washington they have a competitive distribution of State transportation dollars through their Transportation Improvement Board (TIB). These funds must be applied for by the various jurisdictions, and there is no guarantee they will compete for the funds effectively.

### **Funding Categories**

There are thirteen distinct funding categories that will finance transportation in the Lewis Clark Valley. Each of these larger categories may have sub components that make up the entire financial picture for the category. The funding categories are outlined below (for more details on these categories please see APPENDIX 12).

- **Roadway Funding (Idaho and Washington):** For each state, the MPO is divided into distinct sub components, and from there funds are designated for: (1) the National Highway System, (2) State Transportation Funds, and (3) urban areas. There is also additional funding available for urban areas of cities and counties. A certain percentage of these funds must be matched by local contribution.
- **Enhancement funding (Idaho and Washington):** This funding is typically used for walking and bicycling pathways.

- **School Trip Safety (Idaho and Washington):** This funding is a new funding category under the current highway bill, SAFETEA-LU. These dollars will be used to improve transportation safety of school aged children to and from school.
- **Transit (Idaho and Washington):** Both Idaho and Washington get federal tax dollars to fund transit programs, but a certain percentage of all federal funds must be matched by local contribution. Also both states have mechanisms to get funding from state and local sources.
- **Safety (Idaho):** The ITD office of Highway Safety gives out specific grants to local communities to help improve safety through improvements to the roadway network.
- **CMAQ (Idaho):** Congestion Mitigation and Air Quality (CMAQ) funds are used to eliminate congestion and improve air quality.
- **Aviation Funding (Idaho):** The majority of Aviation funding coming into the LCVMPPO area is on the Idaho side, since the Lewiston Nez Perce County Regional Airport serves the entire metro area, and is located in Idaho.
- **Hazard Elimination (Washington):** The State of Washington disperses funds specifically for the improvement of unsafe roadway situations.
- **MPO Planning Funds:** These funds are used to ensure the Coordinated, Comprehensive, and Continuous (3C) Planning Process for transportation in the Lewis Clark valley.

### **Potential Funding Sources**

The LCVMPPO is a new organization. Therefore there will be a new way to allocate transportation project development dollars within the urbanized area. In order to develop estimates of funding that could be available for the MPO to allocate to projects, several sources were queried. First, for the Idaho side in roadways we developed a ten year average for funds coming into the metropolitan area. This includes the funding categories identified in Table 23: State highway funding, urban dollars, discretionary, earmarks, and local match. This 10 year average is then multiplied by 25 to get a straight 25 year total for projects. All calculations are in 2005 dollars, due to the difficulty of estimating the increases in funding and costs of project materials over time. Thus it is assumed that funding and project cost increases over time will escalate at roughly the same percentage.

Project costs were developed from several sources. They include the municipalities, counties, states and HDR estimates. HDR estimates are based on rough costs per lane mile for construction, or based on other valley intersection improvements where cost estimates existed for other intersections.

Enhancement Funds were estimated based on the ten year average for these funds in the area, as well as funding priorities within LCVMPPO, and their success in applying for enhancement dollars since becoming an MPO.

Safety and CMAQ funds are based on the ten year average for these types of funds on the Idaho side.

Washington roadway funding figures are based on discussions with both Washington State DOT staff and the Asotin County Engineer. These amounts are based upon historic levels of funding coming into the area, the amount of dollars each jurisdiction can contribute to local match, and the success this area has had in applying for and receiving TIB money. The higher balance of State Highway System funding coming into the Washington side is reflective of a greater resource base for roadway dollars in the state with the appreciably larger statewide population base. Even with this greater amount of funding, the Washington part of the MPO has a deficit approaching \$7 million. It is assumed this deficit will result in the elimination of some Washington State DOT identified projects along State Highway 129, or that the State DOT will make up the difference in the metropolitan area to develop the projects identified in the State Highway Plan.

Enhancement funds on the Washington side are more competitive for smaller metropolitan areas, and as such we have another deficit in funding of approximately \$1.2 million.

HES Funding on the Washington Side was estimated based on a discussion with the Asotin County Engineer, and is based on an average amount of funding coming into the metropolitan area over time.

Since the MPO is new, transit funds are based upon current allocations. Even though The Lewis Clark Valley has had transit services prior to becoming an MPO the funding source and the amount of funding available were different. In addition, some of these sources of funding are no longer available because they were for rural transit services, for which the LCVMPPO no longer qualifies. The designation of Metropolitan requires a change in transit service and funding. Thus, while the amounts are based upon the level of funding currently received in the valley for Federal Transit operations and capital funding, the actual funding received should vary from what is presented here. As is discussed in more detail later, transit in Idaho needs to find a funding source to keep up with demand, and the Lewiston area is currently engaged in a community conversation on how to attract more funding from a more secure source to match local transit funding.

The Washington side has passed a 0.2 cent sales tax increase in Asotin County that is used to generate matching funds for transit. So where the Idaho side is currently struggling for funding to match the federal dollars and meet current service needs, the Washington side of the MPO is expanding services and has the funding they need to provide the local matching dollars .

Finally, the MPO has funds for studies and plans to ensure that transportation needs are being met throughout the MPO. Funding will cover not just the planning needs identified in this LRTP, but is also available to do plan updates, develop a transportation model, and perhaps identify a full time staff person for the MPO.

The following table looks at all projects identified in all alternatives. Without a lot of additional funding into the urban area it is possible for the MPO to fund all project needs identified by the LRTP. The total estimates the amount of funding coming into the urban area over the next 25 years. The Base Project line is the total of all projects for this funding category that are the minimum that should be constructed over the next 25 years. The remainder is the projected funding minus the base project costs. The “other projects” line is the sum of all other projects that this funding category should be funding over the next 25 years. The balance shows whether we are anticipating a surplus or a deficit. Surpluses most likely will be used for additional projects as they are identified over time; conversely, funding may fall short of what has been anticipated, or project delivery costs may increase beyond the projected amounts. In deficit situations, there are projects that can be removed, if additional funding cannot be found. None of the current funding

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deficits are substantial enough to be considered insurmountable; it is the recommendation of this plan that the base projects be the highest priority in the MPO area, in that they will satisfy mobility needs without need for identification of additional funding sources.

Table 23: Funding Programs

<b>1</b>	<b>ROADWAY--Idaho</b>	Average of previous 10 year period	Forecast 2030
	Program		
	SHS--Includes Idaho Earmarks	\$2,200,000	\$55,000,000
	Urban	\$600,000	\$15,000,000
	Discretionary	\$450,000	\$11,250,000
	Local Contribution and Match	\$400,000	\$10,000,000
	Total	\$3,650,000	\$91,250,000
	Base Projects		\$43,164,000
	Remainder		\$48,086,000
	Other Projects		\$58,680,000
	<b>Balance</b>		<b>(\$10,594,000)</b>
<b>2</b>	<b>Enhancement (Idaho)</b>	<b>\$200,000</b>	<b>\$5,000,000</b>
	Projects		\$1,809,000
	<b>Balance</b>		<b>\$3,191,000</b>
<b>3</b>	<b>Safety (Idaho)</b>	<b>\$100,000</b>	<b>\$2,500,000</b>
<b>4</b>	<b>CMAQ (Idaho)</b>	<b>\$30,000</b>	<b>\$750,000</b>
<b>5</b>	<b>ROADWAY--Washington</b>		
	SHS--Includes Washington Earmarks	\$2,500,000	\$62,500,000
	Urban	\$300,000	\$7,500,000
	Discretionary	\$150,000	\$3,750,000
	TIB	\$150,000	\$3,750,000
	City and County Match	\$250,000	\$6,250,000
	Total	\$3,350,000	\$83,750,000
	Base Projects		\$13,059,000
	Remainder		\$70,691,000
	Other Projects		\$81,611,000
	<b>Balance</b>		<b>(\$10,920,000)</b>

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<b>6</b>	Enhancement (Washington)	\$50,000	\$1,250,000
	Projects		\$2,500,000
	<b>Balance</b>		<b>(\$1,250,000)</b>
<b>7</b>	HES Funding (Washington)	\$25,000	\$625,000
<b>8</b>	TRANSIT--Idaho		
	Federal Apportionment	\$339,000	\$8,475,000
	Local Match	\$133,000	\$3,325,000
	JARC (Job Access Reverse Commute)	\$27,000	\$675,000
	New Freedom	\$13,500	\$337,500
		25 year total	\$12,812,500
		25 year total without match source	\$6,950,000
		Federal funds not matched 25 yrs.	\$5,862,500
	New Capital and Operations		\$16,869,000
	<b>Balance</b>		<b>(\$9,919,000)</b>
<b>9</b>	Transit--Washington		
	Federal Apportionment	\$196,000	\$4,900,000
	Local Match--Dedicated Source	\$390,000	\$9,750,000
	Total		\$14,650,000
	New Capital and Operations		\$5,411,000
	<b>Balance</b>		<b>\$9,239,000</b>
<b>10</b>	Aviation		
	Federal Funds	\$2,500,000	\$62,500,000
	State Funds	\$22,000	\$550,000
	Local Match	\$68,000	\$1,700,000
			\$64,750,000
<b>11</b>	Idaho School Trip Safety Funds	\$20,000	\$500,000
<b>12</b>	Washington School Trip Safety Funds	\$20,000	\$500,000
	Projects		\$1,275,000

	<b>Balance</b>		<b>(\$775,000)</b>
<b>13</b>	MPO Planning funds	\$75,000	\$1,875,000
	Base Projects		\$995,000
	Remainder		\$880,000
	Other Projects		\$45,000
	<b>Balance</b>		<b>\$835,000</b>

**Transit Funding**

Current Funding Sources

As a Federal Transit Administration (FTA) recognized small urban area with a population between 50,000 and 200,000, the urbanized areas in Nez Perce and Asotin counties are eligible for Section 5307 funds. These funds are available for operating and capital expenses. Local matches are required (50% for operating and 20% for capital) to access these funds. Fare revenue does not count toward the match, but instead is used to reduce expenses. Funds are appropriated to the recognized urban area (UZA) through the appropriate state. The Lewiston UZA funds are allocated to Washington and Idaho based population distributions. For FY05, Lewiston received 63 percent, or \$335,000, of the \$530,000 available for the UZA. The recent reauthorization of the SAFETEA-LU transportation bill provides for moderate growth in 5307 funding levels as seen in Table 24.

Table 24 Growth in Lewiston Small Urban Area Transit Funding

	FY05	FY06	FY07	FY08	FY09
Apportionment	\$530,007	\$540,842	\$562,643	\$610,165	\$649,005
Annual Growth		2.0%	4.0%	8.4%	6.4%

Source: FTA SAFETEA-LU Estimated Apportionments for FY06 – FY09

The availability of local matches varies greatly between the Washington and Idaho communities in the UZA. With the creation of the Asotin County Public Transportation Benefit Area (PTBA), local sales tax proceeds provide a substantial and dedicated source of funding for public transportation. The 2006 PTBA budget shows sales tax revenue of over \$390,000 – more than enough to match all available 5307 funding. Such local option levies (e.g. sales or property taxes) for public transportation are not permitted in Idaho. Many urban areas, including Lewiston, have difficulties assembling adequate local matches from city and county general funding and local partners. Table 25 highlights revenue sources to cover the current Lewiston \$230,500 contract with Valley Transit. The \$142,000 of 5307 funds represents well less than half of the funding available to Lewiston.

Table 25 Use of Small Transit Funding

	<b>Idaho</b>	<b>Washington</b>
Asotin Co. Sales Tax		\$392,000
Nez Perce General Fund	\$51,000	
Lewiston General Fund	\$37,300	
Lewiston In-Kind Match	\$30,000	
Total Local Match Available <sup>1</sup>	\$118,300	\$392,000
Utilized FTA 5307 Funding <sup>1</sup>	\$142,200	\$140,000
Available FTA 5307 Funding <sup>2</sup>	\$341,400	\$199,500

<sup>1</sup>Source: Asotin County PTBA 2006 Budget and City of Lewiston estimates

<sup>2</sup>FTA estimated FY06 apportionments with prior year state splits

*Future Funding Alternatives*

The following sections present two funding alternatives to provide constraints on potential transit service and capital plans. The first alternative is to maintain the current funding revenue sources. This scenario allows for expanded operations and additional capital projects in Asotin County but maintains current services in Lewiston. The second alternative assumes a growth in funding revenues in Lewiston, likely in the form of increased franchise fees, to provide expansion of Lewiston services in conjunction with those in Asotin County. It is Lewiston’s policy to require a vote to enact these increased taxes. Additional federal funding opportunities are detailed at the end of this section, but revenues from these sources are not built into service and capital options presented in this report. Many of these options require local matches, funding from currently constrained sources and/or competitive grant applications. Complete utilization of 5307 funding should be sought out before seeking these additional options.

*Current Funding Alternative*

Continuation of current funding mechanisms allows for expansion of service in Asotin County, which has local revenues and realizable FTA Section 5307 grants in excess of current expenditure levels. However local revenues in Lewiston are falling short of current operation expenditures and do not provide for any capital investments.

The 2006 Asotin County PTBA budget calls for transit service expenditures of \$280,000 relative to the current transit provider’s services costing around \$258,000 per year. The budget also specifies \$300,000 for upcoming capital purchases. And as detailed earlier, roughly \$60,000 of additional 5307 funds are potentially available based on the mix of capital and operating expenditures. The Transit Project Chapter of this report details potential improvements available within this funding alternative. These improvements would be immediately available.

*Growth Funding Alternative*

This scenario assumes an increase in local revenues for the Idaho component of the urban area. Roughly \$200,000 of FTA Section 5307 grant money is “left on the table” due to limited

matching funds. Residents in Asotin County demonstrated the willingness to support public transportation via a dedicated sales tax increase. Current law prohibits similar local option levies in Idaho. Stakeholders from urban areas in Idaho have been working with the Idaho legislature to enable communities to seek a local levy to support public transportation, but progress in this area is unpredictable. One potential option is to increase the Avista franchise fee with some of the proceeds supporting public transportation. The utility pays this fee to access City right-of-way on public streets and applicable uses of the streets can utilize these fees. Estimates by City staff show that a nominal increase could raise \$200,000. This increase should be less than three percent and not require a citizen vote to ratify. Packaging funds for public transportation along with additional funding for road projects would only slightly increase the fee, but could facilitate adoption of the fee increase. Currently, there is no timeframe for such an approach. Funding mechanisms in Asotin County do not change with this alternative.

#### Additional Transit Funding Opportunities

The purpose of this section is to explore additional federal funding sources that could be available in the Lewis Clark Valley to support expanded transit services and help pay for capital improvements. Federal funding for transit systems is distributed primarily through the Federal Transit Administration (FTA). All recipients of federal funds must make certain certifications to the FTA, file regular reports and submit to periodic audits. Under SAFETEA-LU, some sources also require a human services transportation coordination plan. There are many funding sources under FTA's umbrella, but a select few form the bulk of available operating and capital assistance. Lewiston and Asotin County currently rely on FTA Section 5307 along with a limited number of local funding for ongoing operations and capital improvements. The other sources include:

- FTA Section 5309 – Bus, Bus Facility and New Starts Program
- FTA Section 5310 – Elderly and Disabled Program
- FTA Section 5311 – Rural and Small Urban Areas Program
- FTA Section 5316 – Job Access/Reverse Commute (JARC)
- FTA Section 5317 – New Freedom Program

(For details on these funding sources please see APPENDIX 12.)