

Financial Plan

Analysis of Funding Capability

The responsibility for determining the application of funding for transportation projects (programming) in rural areas is significantly different from urban areas. In urban areas over population 50,000, a federally mandated regional Metropolitan Planning Organization performs the programming function. In rural areas there is no such federal mandate and individual state and local jurisdictions are required to program for their own specific projects.

Each jurisdiction in the region funds its projects through a variety of sources. Often the source of funding is determined by the type of the project. The various forms of funding mechanisms are described in Appendix G.

While some funding sources are directly allocated each year and thereby generally predictable, most sources, particularly those administered to WSDOT for state highways have no direct allocation and must be “earned” or justified project-by-project on a state-wide or district-wide basis. These funds are available either by direct competition or through a prioritization method established by the administering jurisdiction. Consequently, development of funding capability forecasts for regional projects will be best focused on each participating jurisdiction’s six-year Transportation Improvement Program (TIP). The programming document required by WSDOT and the Federal Highway Administration shows how and where state and federal funds are to be spent.

Table 9 was prepared that shows historic revenue sources for transportation expenditure levels for various project types by county and all cities combined in each county. Detailed information is included in Appendix H.

The top priority of the region is to maintain existing roadways, performing routine resurfacing and patching, snow removal, etc. as necessary. A relatively small amount of funding will be spent on major capital improvements such as roadway reconstruction or additions to the roadway network through widening of existing roads or new facilities.

The 2004 Transportation Plan identified the need for the RTPO to conduct a more specific analysis of potential funding sources which would assist in the funding of both maintenance and capital improvements in the region. Accordingly, in 2009, the RTPO collaborated with a consultant to develop the Palouse Transportation Funding Guide. This intent of this guide was “to create a comprehensive list of transportation funding sources applicable to the Palouse region, analyze the revenue potential of the primary funding sources, and make recommendations to Palouse jurisdictions about the best ways to generate transportation funding in the future.” While Appendix G, as identified at the beginning of this section, identifies various forms of funding mechanisms offered, not all of these mechanisms are available or viable in this region due to limited tax revenue, lack of matching dollars for grants, and low demographics. As a result of the study, the following funding sources were identified as being primary local funding sources for the region.

- **Transportation Benefits Districts**
 - Vehicle Registration Fee (\$20 max.)
 - Transportation Impact Fees
 - Vehicle Registration Fee (>\$20, \$100 max.)
 - Sales Tax (0.2%)
 - Tolls, Development Fees, LID’s
- **Property Tax**

- Levy Lid Lift
- Diversion
- Levy Shift
- Special Levies
- **Local Option Gas Tax**
- **Sales and Use Tax**
 - Basic Rate
 - Optional Rate Transit
- **Business and Occupation Tax**
 - General Business
 - Utility
 - Transit
- **Real Estate Excise Tax**
- **Debt Finance/Bonding**
- **General Fund**

The Regional Transportation Improvement Program is included as part of this Regional Transportation Plan by reference and is assembled each year by the Palouse RTPO.

Application of Future Funding to Needs

There are clear distinctions in both the type of project necessary and the extent of work applied to each project. Typically, the vast majority of all projects are limited to maintenance for both state and county roads. Those projects normally consist of patching, oiling or chip seal coating. Periodically for state routes, and more rarely on county roads, cold or hot mix resurfacing projects are done.

Further complicating the funding issue are the varying sets of construction standards and regulations that apply to federal, state and local projects. As an example, while federal funding may be more readily available for state and county projects, the extensive list of federal project standards and conditions tend to drive project costs significantly higher than state or locally funded work. As a result, the cost of any given project, regardless of priority, may range widely from as little as a few thousand dollars per mile to over one half million dollars per mile.

Another consideration in funding a given project is the determination of when the project is required. A project with high regional priority may not receive the same ranking from the responsible jurisdiction, therefore, a regional project with a high regional priority may not be constructed as early as a regional project with a lower regional priority. These conditions again point to the programming jurisdiction as the key factor in determining the specifics of how and when funding may be sought for from various sources for any given project. The process for obtaining state funding is highly competitive.

Expected Revenues

To program funds for projects, local jurisdictions and the RTPO must have an indication of expected revenues. This may be determined from experience or through written notice of a grant approval. Appendix H shows the 20 year projected transportation revenue forecast by jurisdiction. Assuming similar future federal apportionments, the estimated annual revenue for counties in Palouse will remain the same for planning purposes.

Regional Project Recommendations

The projects submitted to the lead agency each year under this plan are deemed to be of importance to the Palouse Region Regional Transportation Plan. See the Appendix I for the Palouse Agencies Transportation Improvement Programs (TIP) (Appendix I is updated

annually and retained on file with the Lead Agency annually. To request a current copy contact the Lead Agency).

The Palouse RTPO has determined that each agency's TIPs when developed consistent with this plan will represent the members projects that have regional implications and will result in the best use of limited funds on projects of regional significance for the good of the region. Member agency's are encouraged to share their TIPs with adjacent member agency's so cross jurisdictional coordination and planning may occur within the Palouse RTPO area. (As permitted Six Year TIPs may include additional projects for planning purposes even if funding is not being requested.)

This plan is a tool recommended to be used by those participating jurisdictions to assist them in developing 6 year TIPs that consider at a minimum the common regional transportation goals, polices and objectives that make up this regional planning effort. For cities and counties this recommendation should be viewed, as a positive option that recognizes their own needs as well as their neighbors and the region as a whole. The same perspective is true for WSDOT with additional consideration that state legislation requires incorporation of these recommendations into WSDOT plans for transportation improvements on state routes within the region.

The regional plan shall be implemented through mutual agreement of all members of the RTPO.

Identification of Alternative Solutions

It is recognized that some regionally prioritized needs will be difficult to program. In these cases consideration of alternative sources of funding or another means of meeting those needs must be found. Each unfunded project, by priority, should be carefully evaluated to identify any specific features that could be funded under special grants or programs and those sources should be pursued by both the responsible jurisdiction and the RTPO to obtain such available funding. These include the Enhancement, Statewide and Safety elements of the Surface Transportation Program of the federal Transportation Equity Act for the 21st Century (TEA 21).

A further alternative is to identify common project needs by type and work to promote the creation of a program element to address the specific need. An example of this alternative can be seen in the most recent development of the Rural Economic Diversification Support Program promoted by the RTPO, member counties and WSDOT to address the severe economic hardships brought on rural communities when essential freight routes are closed due to seasonal conditions.

All alternatives should be considered and the most viable should be vigorously pursued to the successful resolution of the need. Some alternatives may not appear to meet the apparent need but should be evaluated until its application is shown to be inapplicable.

Table 22. Forecasted 20-year Funding by County and Source

Funding Type	Asotin County	Asotin Cities	Columbia County	Columbia Cities
Property Tax	16,850,629	6,554,342	6,570,510	126,686
State Motor Fuel Tax	38,786,007	4,357,725	37,861,009	1,474,726
Federal Revenues	11,475,224		13,753,758	159,516
Base Total	67,111,860	10,912,067	58,185,277	1,760,928
General Fund Appropriations	1,941,028	9,264,150	3,169,542	247,406
Other Local Receipts	1,568,030	1,068,958	1,944,316	3,224,860
Other State Funds	6,328,888	1,164,624	8,576,324	1,914,514
Total Estimate	76,949,806	22,409,799	71,875,459	7,147,708

Funding Type	Garfield County	Garfield Cities	Whitman County	Whitman Cities
Property Tax	4,846,066	0	40,432,378	12,660,726
State Motor Fuel Tax	33,659,257	785,216	109,504,048	17,977,433
Federal Revenues	2,631,678	0	23,277,592	16,049,675
Base Total	41,137,000	785,216	173,214,018	46,687,835
General Fund Appropriations	1,629,626	2,622,360	513,948	6,179,272
Other Local Receipts	579,186	207,494	3,621,354	17,967,361
Other State Funds	8,061,812	835,374	15,496,374	16,206,457
Total Estimate	51,417,624	4,450,444	192,845,694	87,040,924

- Forecasts of Revenue are based on historical revenues spent on transportation expenditures during the period 1998 - 2008. Data provided by WSDOT.
- See Appendix H for more detailed information