

CHAPTER 11

FINANCIAL ELEMENT

I. OVERVIEW

Previous chapters of this 2014 RTP provided a description of each funding program by source and transportation mode. This Financial Element is intended to provide a summary table of the revenues available from specific federal, state, and local governmental funding programs to fund the costs of implementing the Regional Transportation Plan. These resources are constrained to what is expected to be reasonably available during the 25-year planning period of the RTP.

II. ASSUMPTIONS

The assumptions used for each of the various federal, state, and local revenue projections are based upon the best available data provided for KCAG and Caltrans. These assumptions are based upon current information and do not reflect any attempt to predict future federal, state, or local actions or to resolve currently pending issues.

Kings County is an urbanized area and is eligible for funding from additional programs not available to rural areas.

In developing the revenue projections for the RTP in the corresponding tables, the following assumptions were used:

A. FEDERAL FUNDS

The Moving Ahead for Progress in the 21st Century (MAP-21) two-year surface transportation authorization bill, was signed into law on July 6, 2012. MAP-21 made major changes in the programmatic structure for both highways and public transportation and included initiatives intended to increase program efficiency through performance-based planning and the streamlining of project development. It is the most significant reformation of the surface transportation program since the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. Among its major provisions, MAP-21 included:

- for the federal-aid highway program, research, and education, authorizations for FY 2013 of \$40.96 billion and for FY 2014 of \$41.03 billion;
- for public transportation, authorizations for FY 2013 of \$10.58 billion and for FY 2014 of \$10.7 billion;
- for the Transportation Infrastructure Financing and Innovation Act (TIFIA), which provides credit assistance for surface transportation projects, a significant expansion that could provide credit support of up to \$690 million for FY 2013 and \$9.2 billion for FY 2014;
- major program restructuring, which reduced the number of highway programs by two-thirds and consolidated public transportation programs as well;

- more distribution of funding via apportionment to the states and less discretionary funding via the Department of Transportation (DOT) to individual projects;
- no project earmarks;
- no equity program, instead basing the distribution of highway funding on the FY 2012 distribution such that each state will likely receive as much federal highway funding as its highway users paid to the highway account of the Highway Trust Fund; and
- changes in the National Environmental Policy Act (NEPA) compliance process intended to accelerate project delivery.

1. Core Highway Formula Programs

a. Regional Surface Transportation Program (RSTP)

This program is continued as a core program under MAP-21. The program absorbs the former Highway Bridge Program (HBP) *off-system* component. Funds from the federal Regional Surface Transportation program are based on the historical apportionment provided to Kings County in ISTEA, TEA-21, SAFETEA-LU, and MAP-21. Estimates beyond the life of MAP-21 are assumed to be equal to those currently available.

b. National Highway Performance Program (NHPP)

NHPP has become the largest of the restructured federal-aid highway programs. The program supports improvement of the condition and performance of the National Highway System, combining the former Interstate Maintenance (IM) Program, the National Highway System (NHS) Program, and the Highway Bridge Program's (HBP) *on-system* component. NHPP includes projects to achieve national performance goals for improving infrastructure condition, safety, mobility, or freight movement. There are no projections for this fund.

c. Congestion Mitigation and Air Quality (CMAQ)

Funds from the CMAQ program are based on the fund estimates received from Caltrans through FY 2017/18. Estimates beyond FY 2017/18 are established by a regression formula for fund projection based on the historical apportionment of CMAQ funds provided to Kings County. Estimates beyond the life of MAP-21 are assumed to be equal/progressive to those currently available.

d. Highway Safety Improvement Program (HSIP)

This is a formula program to the state, but a competitive program managed by Caltrans for the regions and local agencies. HSIP remains largely as it was under SAFETEA-LU, supporting projects that improve the safety of road infrastructure by correcting hazardous road locations, such as dangerous intersections, or making road improvements. HSIP has also absorbed the High Risk Rural Roads (HRRR) and the Rail-Highway Grade Crossing Program. Funding for this program is based on existing programming.

e. Highway Bridge Program (HBP)

The state-managed program for projects in cooperation with local jurisdictions for bridges on the statewide bridge improvement list. There is no guarantee that funding will be received. Fund projects are based on current programming.

f. Transportation Alternatives Program (TAP)

The Transportation Enhancement (TE) program under ISTEA, TEA-21, and SAFETEA-LU was discontinued under MAP-21 and replaced by the Transportation Alternatives Program (TAP). The TAP absorbed the former federal Safe Routes to Schools (SRTS) and Recreational Trails (RTP) programs. The TAP funds have been completely absorbed by the State Alternative Transportation Program (ATP) explained below. Under MAP-21, regions the size of Kings are to receive 10% of the state apportionment. The program does not guarantee any funding to any RTPA or MPO of less than 200,000 population.

2. Public Transportation (Transit) Programs

a. Federal Transit Administration - Section 5307

Transit funding for Urbanized Areas. Kings County is expected to continue to receive annual apportionments based on historical amounts. Funding is expected to be used for operating and capital assistance for the Kings County Area Public Transit Agency (KCAPTA).

b. Federal Transit Administration - Section 5310

The Mobility for Seniors and People with Disabilities is a competitive program. Applications must compete statewide for limited funding. There are no funding projections for competitive programs.

c. Federal Transit Administration - Section 5311

Transit funding for Rural Areas. Kings County is expected to continue to receive annual apportionments based on historical amounts. Funding is expected to be used for operating assistance.

d. Federal Transit Administration - Bus and Bus Facilities – Section 5339

Grants are awarded to eligible providers for financing capital projects - to replace, rehabilitate, and purchase buses and related equipment; and to construct bus-related facilities. No funding is projected for this fund.

B. STATE FUNDS

1. Gas Tax

Funds from the State gas tax are based on the historical apportionments provided to Kings County jurisdictions. Projected increases are based on Caltrans' estimates of fuel consumption through 2040.

2. State Transportation Improvement Program

STIP revenues are based on actual regional share dollars available to Kings County in the 2014 STIP Fund Estimate.

3. California Aid to Airports

It is expected that the annual \$10,000 grants will continue to be available to the Hanford Municipal Airport. Projected revenues from the Acquisition and Development Grant program are based on historical programmed amounts and are assumed to be lower.

4. Active Transportation Program (ATP)

This is a competitive program. The program combines two federal programs (Transportation Alternatives Program and Highway Safety Improvement Program) and three state programs (Safe Routes to Schools, Bicycle Transportation Account, and Environmental Enhancement and Mitigation programs) into a competitive grant program. No funding is projected for this fund.

B. LOCAL FUNDS

1. Transportation Development Act

Projected revenues are based on the most recent apportionments and are expected to increase at a rate of 1% per year over the RTP planning period.

2. General Fund

Projected revenues are based on historical amounts received by each jurisdiction and are expected to decrease over the RTP planning period.

3. Transportation Impact Fees

The City of Hanford is expected to continue receiving revenues as development occurs. The City of Lemoore has instituted an impact fee program since the prior RTP and will be receiving revenues as development continues. No traffic impact fees for other jurisdictions are proposed at this time.

Since 1992, the City of Lemoore has maintained Development Impact Fees for municipal traffic-related infrastructure needs directly attributable to new development. These fees have been indexed in time with the California Construction Cost Index, as costs for identified projects have increased over time. As part of a citywide study in 2005, it was determined that the separate fees should be determined for areas with significantly different existing infrastructure: the mostly-developed portion of the City east of 19½ Avenue, and the almost undeveloped western portion of the City. The Eastside Streets and Thoroughfares Fee was adopted in 2006; the Westside Streets and Thoroughfares Fee is currently the subject of a new study, and will likely be set in late 2010. In keeping with the Mitigation Fee Act, the collected fees are used exclusively for new infrastructure, and never used for maintenance of existing or upgrading of existing deficiencies in the infrastructure level.

4. Passenger Fares

Projected revenues are based on historical amounts received and are expected to increase over the RTP planning period.

5. Air District Grants

These are competitive programs, and there are no projected revenues for these funds.

III. SUMMARY OF REVENUES AND EXPENDITURES**FIGURE 11-1****SUMMARY OF REVENUES
(In Millions of \$)**

PROGRAM	APPLICABLE USES	2014 - 2018	2019 - 2040	TOTAL
FEDERAL FUNDS				
Regional Surface Transportation Program	Highways, Roads, Transit, Non-Motorized, TDM, TCM	\$11.84	\$37.83	\$49.67
Congestion Mitigation and Air Quality	Roads, Transit, Non-Motorized, TDM, TCM	\$11.97	\$38.59	\$50.56
Highway Safety Improvement Program (HSIP)	Highways, Roads	\$0.768	\$0.919	\$1.69
Highway Bridge Program (HBP)	Bridges	\$1.08	\$8.38	\$9.46
Federal Transit Act	Transit	\$0.6	\$1.8	\$2.4
Airport Improvement Program	Aviation	\$3.5	\$10.0	\$13.5
Transportation Alternatives Program (TAP) (see State ATP)	Highways, Non-Motorized	\$0	\$0	\$0
TOTAL FEDERAL FUNDS		\$29.76	\$97.53	\$127.28
STATE FUNDS				
Gas Tax	Highways, Roads, Transit	\$24.0	\$98.8	\$122.8
State Transportation Improvement Program	Highways, Roads	\$7.0	\$90.0	\$97.0
California Aid to Airports Program	Aviation	\$0.5	\$2.1	\$2.6
Active Transportation Program	Non-Motorized	\$0.0	\$0.0	\$0.0
TOTAL STATE FUNDS		\$41.50	\$190.90	\$232.40
LOCAL FUNDS				
Transportation Development Act	Roads, Transit, Non-Motorized	\$9.69	\$40.8	\$50.49
General Fund	Highways, Roads, Transit, Non-Motorized, Aviation, TDM, TCM	\$23.0	\$96.7	\$119.7
Transportation Impact Fees	Roads, Transit, Non-Motorized	\$2.0	\$8.4	\$10.4
Passenger Fares	Transit	\$1.9	\$8.3	\$10.2
Air District Programs	Transit, Non-Motorized, TDM, TCM	\$0.2	\$0.8	\$1.0
TOTAL LOCAL FUNDS		\$36.79	\$155.00	\$191.79
TOTAL ALL FUNDS		\$98.05	\$443.42	\$541.47

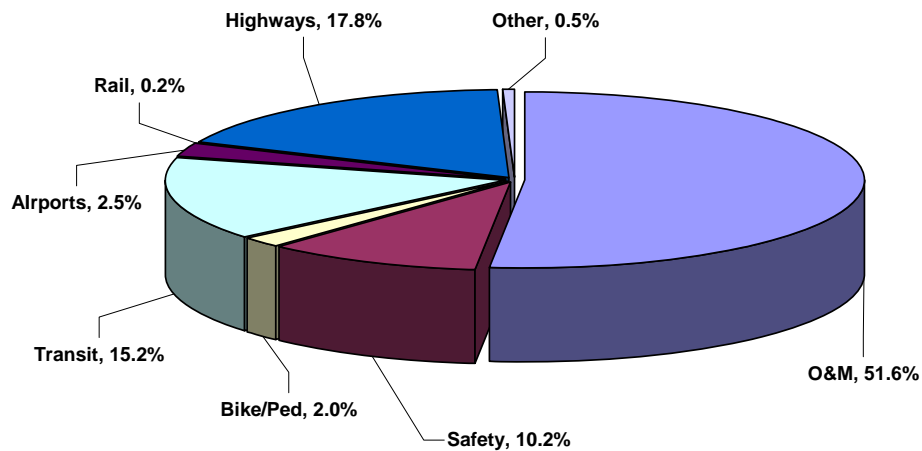
FIGURE 11-2

**SUMMARY OF EXPENDITURES
(In Millions of \$)**

MODE	AMOUNT	PERCENT OF TOTAL
Operations and Maintenance	\$280.9	52.0
Safety	\$55.6	10.0
Bike-Pedestrian	\$8.7	2.0
Transit	\$82.5	14.9
Airports	\$13.5	2.5
Rail	\$0.80	0.1
Highways	\$97.0	17.5
Other	\$2.5	0.5
	\$541.5	100%

FIGURE 11-3

TRANSPORTATION INVESTMENTS



Source: KCAG