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IDAHO PUBLIC TRANSPORTATION PLAN

Appendix E

Public Transportation Funding

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Idaho Public Transportation Plan

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Funding for Public Transportation Services in Idaho

Introduction

This appendix reviews the sources and amounts of funding used to support public transportation services in Idaho.

Federal, State, and Local Public Transportation Funding Sources

Brief descriptions of the major federal public transportation funding programs are provided below.

Federal Transit Administration Funding

FTA provides grants for public transportation capital expenditures, planning and operating assistance. The various federal transit funding programs are named according to their governing sections of US Code Title 49.

Section 5310 provides grants to enhance the mobility of seniors and individuals with disabilities. Funds are apportioned to designated recipients in urban areas, and to state DOTs for non-urbanized areas.

Eligible projects are divided into two categories of projects. At least 55% of an area's funding must be spent on traditional capital projects (including vehicle purchases, mobility management, and contracts for service) by nonprofit organizations. Up to 45% may be spent on other projects, including services beyond ADA requirements, path of travel improvements, travel training, volunteer drivers, and voucher programs, by a wider range of recipients.

Capital projects are funded with 80% federal share. Operating assistance is limited to a 50% federal share. To be eligible for 5310 funding, projects must be identified within a Local Coordinated Public Transit—Human Services Transportation Plan.



Section 5307 provides grants to urbanized areas of 50,000 or more population. Funds flow to a designated recipient of local government, and the funding formula is based on a combination of bus revenue vehicle miles, bus passenger miles, population and population density.

A non-federal match is required to use 5307 funds. The federal share is typically 80 percent of the cost of capital projects, but may be increased to 90 percent for the cost of vehicle equipment needed to comply with the Americans with Disabilities Act and the Clean Air Act. For operating assistance, the federal share may not exceed 50%.

Section 5311 provides formula funding for rural transportation services in areas with populations of less than 50,000. Funds are apportioned to states for distribution among eligible subrecipients. In Idaho, which is one of the states for which local match requirements are lower than the FTA standard of 20% for capital expenses and 50% for operating expenses, capital expenditures may receive 92.66 % federal funding. Operating assistance is capped at 57.5% federal funding. States may use up to 10% of the state's annual apportionment for administration, planning, and technical assistance activities, with no local match requirement. Each state also receives an apportionment of Section 5311 funding for use in the state's Rural Transit Assistance Program (RTAP) activities, which has no local match requirement.

Section 5311 funding is administered by ITD-PT, which distributes Idaho's annual formula apportionment among eligible transportation providers and monitors use of those funds.

Section 5311(c)(2)(B) provides formula funding to federally recognized Indian tribes to provide public transportation services on and around Indian reservations or tribal land in rural area, with an annual maximum of \$300,000 per tribe.

Funding for intercity transit service is also provided under Section 5311(f), and 15% of the state's overall 5311 apportionment must go to intercity services.

Section 5339, the Bus and Bus Facilities program, includes both formula and competitive components for capital projects. Under the formula portion of the program, operators of fixed route service in urbanized areas are eligible recipients. In addition, each state receives a "national distribution" amount of \$1.75 million and a portion of the remaining formula funds for use in capital projects in small urban and rural areas.

ITD-PT receives the annual amount of Section 5339 funds that may be used to meet capital needs in small urban and rural areas.

Competitive FTA Programs, such as Section 5339 Buses and Bus Facilities grants, or Transportation Investment Generating Economic Recovery (TIGER) program grants, provide periodic competitive funding opportunities for capital purchases and other one-time investments.

Federal Highway Administration Funding Available for Transit Purposes

Some transit investments are also eligible for several funding programs originating from US Code Title 23 - Highways.

Transportation Alternatives Program (TAP) funding may be used for infrastructure projects that improve non-driver access to public transportation, and other transportation investments that focus on alternative modes, community enhancement and environmental mitigation. ITD offers a competitive application process for this program, and approximately \$3.5 million is available annually statewide. Federal funding of up to 92.66% of the project cost is possible.

Federal Lands Access Program (FLAP) funding may be used for transit projects and services that access National Parks, National Forest Service lands, National Wildlife Refuges, BLM Lands, US Corps of Engineers, or Tribal lands. The FHWA Western Federal Lands Highway Division offers a competitive application process for this program. In Idaho, approximately \$2.8 million is available annually. Federal funding of up to 92.66% of the project cost is possible under this program.

Other Federal Funding Programs

Title III-B of the Older Americans Act. The Administration on Aging (AoA) of the Administration for Community Living (ACL), a federal Department of Health and Human Services agency, is responsible for the administration of a number of programs authorized by the Older Americans Act. These programs support a variety of services for seniors, especially those who are frail or vulnerable.

Title III funds are awarded to each state's designated Agency on Aging on a formula basis, according to the state's senior population (persons aged 60 years and older). Each Agency on Aging in turn distributes funds to the state's designated Area Agencies on Aging (AAAs) for the development and implementation of programs and services to meet the needs of seniors in each local area or region.

Individuals aged 60 and older are eligible for services provided with Title III funds, with priority given to individuals with the greatest economic and/or social needs; low-income minority seniors, and older individuals living in rural areas, in particular, are targeted.

States must provide funds to match the federal dollars in the following proportions: 25% for state administrative activities, 25% for administration of the State Plan, and 15% for supportive services and multipurpose senior centers.

Supportive Services (Part B) is one of the types of programs and services which are funded under different parts of Title III. Title III-B covers supportive services in several categories, including access services, one of which is transportation. Transportation is often delivered by non-profit or for-profit service providers. This is typical of other types of services for seniors that are developed and implemented by State and Area Agencies on Aging and financed with Title III-B funds.

Title XIX of the Social Security Act of 1965 established the **Medicaid** program as a joint effort on the part of the federal and state governments to ensure health care services for individuals and families who meet certain income and resource requirements, or who belong to other needy groups. A critical component of achieving this goal is the provision of transportation services that allow Medicaid recipients access to health care services.

The Centers for Medicare and Medicaid Services (CMS), part of the federal Department of Health and Human Services, oversees the Medicaid program. Funds are allocated to states on a formula basis and are distributed to a designated state Medicaid agency. CMS issues general program guidelines and requirements, but each state is responsible for the design of its own Medicaid program, including such components as eligibility standards; the type, amount, duration and scope of services to be provided; rates of payment for services; and administrative procedures.

The federal share of the cost of medical services (including transportation necessary to ensure access to those services) may range from 50 percent to 83 percent. The non-federal share of Medicaid expenses is typically provided by state or county funds.

In addition to supporting non-emergency medical transportation, Medicaid is a significant source of funding for organizations that operate day programs and other types of services for individuals with developmental disabilities. Such organizations often provide transportation so that clients are able to attend programs. Service may be provided with agency-owned vehicles driven by program staff, or contracted to a local public, not-for-profit, or for-profit transportation provider. Transportation is usually one element of the services that are covered by the Medicaid funding the organization receives for a particular client (typically a set rate per day that the client attends the program). Budgets and funding for transportation services are not typically separate from those of the other services the organization operates.



State Funding

Idaho's Vehicle Improvement Program (VIP) funding is available to nonprofit organizations, state and local government agencies, and transportation providers for the purchase, replacement, or rehabilitation of vehicles and equipment that are used in demand-response transportation. The Idaho legislature appropriates \$312,000 for the VIP program annually.

Local Funding

Local revenue for transit is scarce in Idaho, due to statutory limitations on local agency taxing authority. Local funding for public facilities and services is generally limited to property tax revenues and utility service fees. Sales taxes are generally not permitted by Idaho statute. An exception is made for resort cities that derive the major portion of their economic well-being from businesses.

Resort cities may create a local tax on goods and services to help balance the additional financial burden of providing infrastructure and public services to visitors who do not pay local property taxes. A resort community may elect to apply a resort tax to all retail sales, or may elect to impose a resort tax only on the sale of specific items such as lodging, alcoholic beverages and food at restaurants. A sixty percent voter majority is needed to approve a resort tax. Not all resort cities in Idaho currently take advantage of this revenue source, and of those that do, not all use local sales tax revenues for transit.

Current Funding Sources and Amounts

Transit providers in Idaho that receive federal transit funding either directly or through ITD-PT received about \$20.8 million in federal and state funds combined between 2010 and 2014, on average.¹ Nearly all of this was federal funds (99%). \$312,000 in state general funds is available each year through the VIP program.

Figure 1 and Figure 2 show operating and capital funds expended by source in the year 2015, as reported to ITD-PT. The funds include local, state and federal sources. Over half of the funds reported came from local and directly generated sources (51.9%). Directly generated funds include fares and contract revenue from agreements with local institutions, jurisdictions, or other organizations for public transportation service. About 45% of the total funds statewide in 2015 were from Federal Transit Administration (FTA) programs, received by local agencies either directly from the FTA, or passed through from ITD-PT to providers. State and other sources accounted for 3% of total public transportation funding.

¹ American Association of State Highway and Transportation Officials (AASHTO), "Survey of State Funding for Public Transportation," 2016.

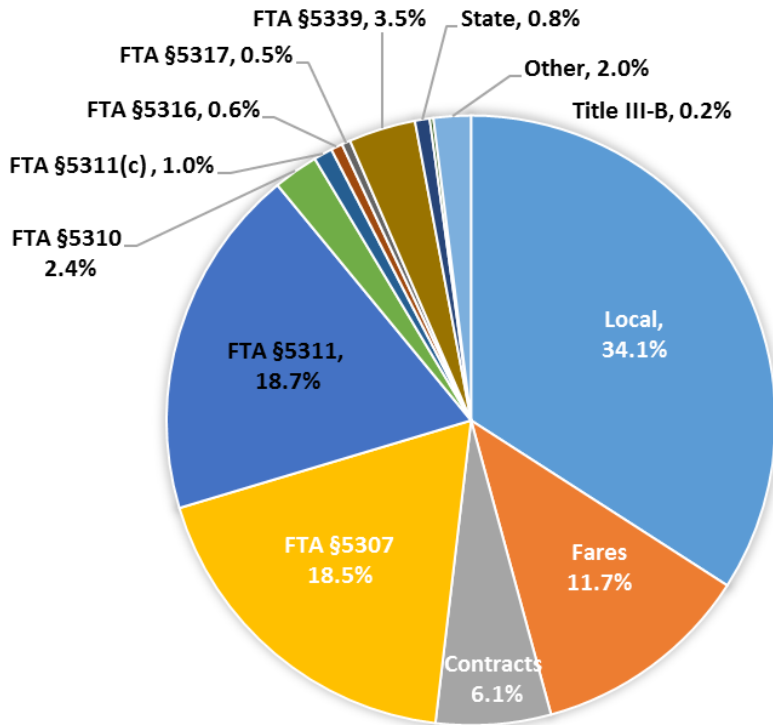
Figure 1 Idaho Statewide Transit Expenses by Funding Source, 2015

Source	Operating	Capital	Total	2015 Share
Local and Directly Generated	\$14,038,298	\$405,270	\$14,443,568	51.9%
Local	\$9,090,857	\$405,270	\$9,496,127	34.1%
Fares	\$3,248,696		\$3,248,696	11.7%
Contracts	\$1,698,745		\$1,698,745	6.1%
Federal Transit Administration	\$10,932,632	\$1,644,835	\$12,577,467	45.2%
FTA §5307	\$4,776,204	\$372,742	\$5,148,946	18.5%
FTA §5311	\$5,105,137	\$93,464	\$5,198,601	18.7%
FTA §5310	\$474,626	\$190,321	\$664,947	2.4%
FTA §5311(c)	\$277,091		\$277,091	1.0%
FTA §5316	\$171,448		\$171,448	0.6%
FTA §5317	\$128,126		\$128,126	0.5%
FTA §5339		\$988,308	\$988,308	3.5%
Other	\$647,106	\$176,738	\$823,844	3.0%
State	\$41,250	\$176,738	\$217,988	0.8%
Title III-B	\$55,756		\$55,756	0.2%
Other	\$550,100		\$550,100	2.0%
Total	\$25,618,036	\$2,226,843	\$27,844,879	100.0%

Source: Idaho Transportation Department Public Transportation Office



Figure 2 Idaho Statewide Transit Revenues by Source, 2015



Source: Idaho Transportation Department Public Transportation Office

Future Funding Sources

Federal transit apportionment reports show how much the FTA has set aside for each funding recipient in the nation each year. The appropriation data is available for states and large urban transit agencies receiving transit funds directly from the FTA. Figure 82 summarizes these apportionments over the past five years, between 2013 and 2017. The programs include:

- Section 5307 Urbanized Area Formula Funds
- Section 5311 Rural Formula Funds
- Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities
- Section 5339 Bus and Bus Facilities
- Section 5303 and 5304 State and Metropolitan Planning
- Section 5311(c) Public Transportation on Indian Reservations Formula Funds

The apportionment data shows that funding amounts from the FTA have been increasing or remaining steady for at least the past five years. This is true in particular for ITD, which has seen funding appropriations increase 9% between years 2013 and 2017, largely due to higher authorization levels in MAP-21 and the FAST Act. The direct recipients listed in Figure 82 saw their amounts increase between two and five percent in the same period. The tribal recipients have seen the greatest amount of change in funding.



Figure 3 Federal Transit Administration Apportionments, 2013-2017

Provider	2013	2014	2015	2016	2017
Idaho Transportation Dept.	\$11,122,044	\$11,267,426	\$11,258,256	\$11,856,065	\$12,071,721
FTA §5311	\$7,528,369	\$7,659,952	\$7,658,796	\$7,809,552	\$7,949,011
FTA §5310	\$1,111,098	\$1,098,056	\$1,096,110	\$1,131,085	\$1,159,383
FTA §5303-4	\$528,299	\$540,831	\$534,763	\$542,791	\$533,846
FTA §5339	\$1,954,278	\$1,968,587	\$1,968,587	\$2,372,637	\$2,429,481
Boise	\$4,072,757	\$4,137,274	\$4,167,957	\$3,876,064	\$3,882,699
FTA §5307	\$3,458,478	\$3,502,704	\$3,530,003	\$3,292,540	\$3,292,634
FTA §5310	\$241,399	\$259,246	\$258,787	\$268,591	\$273,362
FTA §5339	\$372,880	\$375,324	\$379,167	\$314,933	\$316,703
Coeur d'Alene	\$1,436,723	\$1,463,082	\$1,461,126	\$1,490,579	\$1,510,287
FTA §5307	\$1,436,723	\$1,463,082	\$1,461,126	\$1,490,579	\$1,510,287
Idaho Falls	\$1,306,815	\$1,333,421	\$1,331,652	\$1,356,588	\$1,387,503
FTA §5307	\$1,306,815	\$1,333,421	\$1,331,652	\$1,356,588	\$1,387,503
Lewiston	\$451,155	\$444,153	\$443,584	\$451,027	\$461,291
FTA §5307	\$451,155	\$444,153	\$443,584	\$451,027	\$461,291
Nampa	\$2,287,206	\$2,357,314	\$2,354,073	\$2,404,818	\$2,450,205
FTA §5307	\$2,287,206	\$2,357,314	\$2,354,073	\$2,404,818	\$2,450,205
Pocatello	\$1,070,323	\$1,080,909	\$1,079,425	\$1,103,217	\$1,122,868
FTA §5307	\$1,070,323	\$1,080,909	\$1,079,425	\$1,103,217	\$1,122,868
Coeur d'Alene Tribe (Citylink)	\$918,855	\$499,880	\$503,978	\$677,981	\$597,348
FTA §5311(c)	\$918,855	\$499,880	\$503,978	\$677,981	\$597,348
Nez Perce Tribe	\$587,032	\$488,035	\$464,678	\$575,539	\$506,485
FTA §5311(c)	\$587,032	\$488,035	\$464,678	\$575,539	\$506,485
Shoshone-Bannock Tribes	\$41,666	\$47,501	\$46,856	\$123,826	\$138,627
FTA §5311(c)	\$41,666	\$47,501	\$46,856	\$123,826	\$138,627
Grand Total	\$23,294,576	\$23,118,995	\$23,111,585	\$23,915,704	\$24,129,034

Source: Federal Transit Administration

Much federal public transportation funding is allocated to states and transit districts using population-based formulas, and is not contingent on state or local funding availability. While the state and local contribution to transit does not affect how much the FTA will allocate to a state and its larger providers, providers will forego allocated and discretionary federal funds when local matching funds are not available.

