

Funding and Implementation

This chapter will explain funding sources and the inevitable funding constraints that are prevalent when needs far outweigh the available resources. In transportation, difficult funding challenges constantly arise when decision-makers are faced with having to choose between system maintenance and rehabilitation versus system expansion.



Major revenue sources

The SCTA has oversight over the distribution of nearly all state and federal funding for transportation in Sonoma County. Most of these funds come to the SCTA through MTC. During FY2002/2003 the SCTA was responsible for programming nearly \$83 million to projects ranging from highways to buses to bikes.

Most of the money used for transportation projects is generated from the taxpayers that pay fuel, sales and other taxes and fees. These tax dollars flow into federal, state and local funding pots. The federal funds are used primarily for capital projects such as new highway lanes and rail construction. State funds go to capital projects and cover maintenance and operations of our state highway system. Local funds are used for capital, operations, and maintenance, as well as to match federal and state grants.

Federal Funding Programs

Surface Transportation Program / Congestion Mitigation Air Quality (STP/CMAQ)

The STP/CMAQ funding programs were part of the Federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and were continued in the 1997 Transportation Equity Act for the 21st Century (TEA-21) and the 2004 bill currently being debated. STP and CMAQ are called flexible funds because they are not restricted to particular modes. CMAQ funds are limited to the implementation of projects that improve air quality. The majority of Federal transportation funding is used for capital projects, such as new highway and rail construction, and for specific projects earmarked by Congress.

Eligible uses for STP funds include:

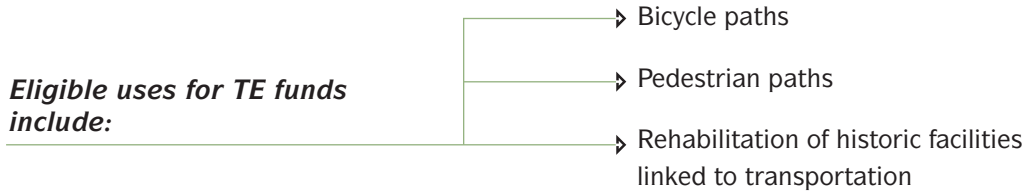
- Roadway or transit rehabilitation
- Operational improvements
- Transit facilities
- Intermodal Port facilities

Eligible uses for CMAQ funds include:

- Bicycle paths
- Transit
- Signal Coordination
- Park and Ride lots

Transportation Enhancement Program (TE)

TEA-21 requires a 10% set-aside for the state's STP allocation to be used for Transportation Enhancement Program (TE) above and beyond normal capital improvements. MTC estimates that Sonoma County will receive approximately \$13.9 million in TE funds over the next 25 years. The SCTA programs a portion of that money while the remaining TE money is programmed by MTC to a program called Transportation for Livable Communities (TLC) for small scale, community and transit oriented projects.



State and Federal Funding Programs

State Transportation Improvement Program (STIP)

The STIP is the largest source of transportation funds made available to the county and is derived from the state and federal gas tax. The funds may be used for capacity-expanding capital transportation projects and for road rehabilitation. The SCTA programs STIP funds every two years. As one of the only funding sources available for capacity increasing projects, the SCTA has traditionally funded Highway 101 improvements from the STIP.

State Transit Assistance (STA)

These funds may be used for transit capital projects and transit operations and are claimed directly by public transit operators.

Transit Development Act (TDA)

TDA funds are the largest single source for transit operating and capital. These funds are generated by a statewide ¼ cent sales tax on gasoline and diesel.

Articles 4, 4.5 and 8

TDA Article 4 and TDA Article 8 provide transit operating assistance and capital projects. TDA Article 4.5 funds paratransit operating and capital projects and represent 5% of total TDA revenue.

Article 3 Program

Each year the SCTA reviews and adopts a program of projects for bicycles and pedestrians to be funded through the TDA Article 3 program. These funds are generated as part of the sales tax and represent approximately 2% of the total TDA funds received in the county.

Gas Tax Subventions

A portion of the State sales tax on gasoline and diesel goes directly to the cities and counties for streets and roads maintenance. This is distributed by a formula based on population and road miles.

Other Funding Programs

Transportation Funds for Clean Air (TFCA)

The SCTA is the program manager for the TFCA funds that come into Sonoma County. These funds are generated through a four-dollar surcharge on vehicle registrations within the Bay Area Air Quality Management District. The Air District covers the southern half of the county (Windsor south). These funds can only be used on specific projects deemed eligible by the Air District. Each year the SCTA approves a program of projects and submits it to the Air District for approval.

Grant Anticipation Revenue Vehicle (GARVEE) Bonds

GARVEE Bonds provide access to a portion of future STIP funds for earlier programming to STIP eligible projects. The federal government established the GARVEE Bond program and the bonds are issued by the state. GARVEE Bonds are repaid by future federal gas tax revenues.

Sales Tax – Self Help Counties

In the Bay Area voters in five counties have passed sales taxes to pay for transportation improvements. In 1998 and again in 2000 Sonoma County voters have had the opportunity to vote for a county sales tax to supplement funding for highways, streets and road, buses and rail. The vote required for the passage of a tax was not reached in either election.

In order to pay for many of the projects described in the 2004 CTP Project List a local source of revenue, such as a sales tax, is required.

Specialized Funding Sources

In addition to the programs described here, smaller, more specialized programs are available to local jurisdictions for specific projects. The State, with the passage of Proposition 116, provides funding for rail projects with a local match and demonstration of ability to operate. The State and Federal governments offer grants through the Office of Traffic Safety and the Safe Routes to School program that are targeted to small scale safety oriented projects. Local jurisdictions also fund transportation projects through Community Development grants and development mitigation fees as well as from their own general funds.

Implementation

After a project is included in a plan the hard work really begins. Once the source, or more often the multiple sources, of funding are identified there must be environmental review, engineering and design work completed before construction can begin. Time and resources are the primary constraints in implementing a project.

Implementation Process

The following table illustrates which level of government controls which types of transportation revenues. A bottom up process is key to identifying funding for projects.

Level	Revenues Controlled	Agency	Related Documents
State	State Transportation Improvement Program (STIP)	CTC	STIP Policy Resolutions Regional Transportation Plan (RTP) Guidelines
Regional (Bay Area)	STIP & CMAQ Transportation Development Act (TDA) State Transit Assistance (STA) revenues	MTC	RTP Policy Resolutions Comprehensive Plan Guidelines County
Sonoma County	County STIP Allocation County RST/CMAQ Allocation Transportation Fund for Clean Air (TFCA) Funds	SCTA	Comprehensive Transportation Plan
Local	Local Gas Tax Property Tax Local Sales Tax Allocation Fee TDA General Funds	Local Jurisdictions Transit Operators	Local General Plans Capital Improvement Plans Short Range Transit Plans

MTC has published a booklet called Moving Costs that describes the funding programs in greater detail. It is available to the public at MTC's website (www.mtc.ca.gov).