

Chapter 5 – Financial Plan

Current Funding Sources, Gas Taxes, Fees

Currently in the Washington County area, federal, state, and local governments as well as private developers provide funds to pay for improvements.

Federal Funds:

The current federal highway and transit bill (Moving Ahead for Progress in the 21st Century Act or MAP-21) continues to fund federal transportation programs under continuing resolutions while a new federal highway bill is anticipated within the next several months.

State Funds:

The Utah Department of Transportation receives state highway user revenues as well as state general funds for highway construction and maintenance projects. The highway user revenues sources include motor fuel taxes, special fuel taxes, vehicle registration fees, driver license fees, and other fees. General fund revenues are also used for transportation and the state has the authority to issue bonds for specific highway projects.

A portion of the state highway user funds are made available to local governments for highway construction. Seventy percent of these funds are kept by the UDOT for their construction and maintenance program. The remaining 30 percent of funds are made available to the cities and counties in the state through the Class B and C Program for road maintenance or construction.

Local Funds:

In addition to B&C funds, local governments use a variety of funding sources for transportation improvements including a quarter of a percent sales tax for transportation, development impact fees, general funds (sales and property taxes), bonding arrangements, the Local Corridor Preservation Fund (vehicle registration fees), and special service district fees.

Private Sources

Private interests may also provide transportation improvements. As developers construct the local streets within their own subdivisions, they may also be required to dedicate rights-of-way for the construction of collector and arterial streets adjacent to their developments. Developers are also considered as possible sources of funding for projects needed because of the impacts of the development, such as the need for traffic signals or arterial street widening.

Private sources may also be considered for public transit improvements which could provide benefits to their particular interests. For example, businesses or developers may be willing to or required to support capital expenses or operating costs for transit services that provide special benefits to their development such as a reduced need for parking or increased accessibility.

Following is a brief list of programs used to fund transportation projects within the Dixie MPO:



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FEDERAL HIGHWAY ADMINISTRATION

- Surface Transportation Program (STP)
 - Dixie MPO cities
- Congestion Mitigation / Air Quality (CMAQ) (Available only after DMPO reaches non-attainment status)
- Interstate Maintenance (IM)
- National Highway System (NHS)
- Surface Transportation Program
- Urbanized Area
- Small Urban
- Flexible (Any-Area)
- Transportation Enhancements
- Highway Safety Improvement Program (HSIP)
- Hazard Elimination
- Railroad Crossings
- Safe Routes to School (SR2S)
- Bridge Replacement
- Off System - Local
- Off System - Optional
- Federal Lands Programs
- High Priority Projects (HPP)
- Transportation Improvement Projects (TI)
- Recreational Trails

- Transportation Alternatives Program (TAP)

FEDERAL TRANSIT ADMINISTRATION

- (5307) Urbanized Area Formula Grants
- (5309) Fixed Guideway Capital Investment Grants
- (5310) Services for elderly and disabled
- (5311) Formula Grants for Rural Areas
- (5340) High Density States Program

STATE OF UTAH

- State Construction
- State General Funds
- State Traffic
- Corridor Preservation Funds

LOCAL

- County (B Funds)
- City (C Funds)
- General Funds
- Transit Sales Tax
- Corridor Preservation Fund

PRIVATE

- Donations / User Fee
- Developer Funded Projects

Unified Plan Process

To create a fiscally constrained long range transportation plan, the Dixie MPO joined with the Utah Department of Transportation and others in the Utah Unified Plan Financial Working group to make common assumptions regarding current and future funding sources available for transportation. This effort projected revenues, inflation rates, estimated construction costs, and the cost of future rights-of-way. The Dixie MPO Executive Committee also examined local funding options and adopted a series of additional future funding assumptions associated with transportation. Below is a discussion of these assumptions, an outline of current funding sources, and a policy document supporting acquisition of future federal, state, and local funding for transportation projects.

State (Future) Funding Assumptions

The Unified Plan Financial Working Group agreed on the following *state wide* revenue assumptions:

- 100% Auto Related Sales Tax- 16.6% total by FY 2017
- 75% Auto Related Sales Tax- 12.5% total by FY 2015
- \$0.05 SW Fuel Tax or Equivalent, every 10 yrs starting in FY 2014 (30% to B & C Fund)
- State Wide Vehicle Registration Fee- \$10 increase in FY 2018

Local (Future) Funding Assumptions

The Dixie MPO Executive Committee agreed on the following *local* revenue assumptions:

- ¼ percent Local Option Sales Tax or equivalent by 2015
- An additional \$0.05 Local Option Fuel Tax or equivalent every 7 years starting in 2016
- An additional \$5 Local Option Vehicle Registration Fee (or equivalent) every 10 years starting in 2018
- ¼ percent Sales Tax or equivalent for public transit

Fiscal constraints through 25-year planning phases

These future funding assumptions, taken together with existing funding sources were calculated and documented in a “Regional Transportation Plan Financial Report” as agreed upon through the Unified Plan Financial Working Group and endorsed by the Dixie MPO Transportation Executive Council.

The group projected a 4.5 percent to 5 percent annual inflation rate (a conservatively high estimate based on past experience) on all cost projections. A conservatively low 1.96 percent inflation rate was projected on revenue sources. Utah’s shifting population was also figured into these assumptions based on projections by the Governors’ Office of Planning and Budget. Currently the Dixie MPO is home to 6.67 percent of the state’s population. GOPB projects the Dixie MPO population will reach 8.6 percent of state population by 2021 and 10.2 percent in 2030.

Federal formula funds, which represent only a small portion of an MPOs annual budget, assist MPO planning, environmental assessments and construction seed money for projects that move from the Plan to the Transportation Improvement Program. These federal dollars come from FHWA’s Surface Transportation Program and FTA’s Transit Programs with an approved 2% inflation rate.

Projected Transportation Revenues

The following table shows the total revenues assumed for projects in each of the three phases of the long range plan. Total expenditures are detailed in the “Project & Phasing List” in Chapter 6.

2015-2040 Long-Range Plan Total	
Total Funding Assumptions	\$1,871,919,869
Total Needs	\$1,942,110,000
Total Difference	(\$70,190,131)

When compared with the needs list and anticipated costs in Chapter 6, these funding assumptions seem adequate in Phase 1 of the RTP. However, a re-evaluation of revenue needs may be appropriate in Phases II and III – beyond year 2025.