

# MAP-21

## Funding Elements



# The Good!

- A Transportation Act passed!
- Funding certainty for Surface Transportation.
- Core Highway Programs were consolidated.
- Innovative Finance Enhanced.
- Program performance based.

# We Have a Transportation Act!

- In a bi-partisan manner Congress moved forward with MAP-21 Summer of 2012.
- Transportation continues as bi-partisan – passed during Presidential election year!
- “R” House and “D” Senate Committee leadership worked together to get Act passed.
- Program virtually “level” – mostly about program consolidations and key innovations.

# Funding Certainty

- Highway Programs:
  - 2013 - \$39.7 billion (2012 \$39.1 billion)
  - 2014 - \$40.3 billion
- Transit Programs
  - 2013 - \$10.6 billion (2012 \$10.5 billion)
  - 2014 - \$10.7 billion
- Allocations follow 2012 allocations for each State for 2013 and 2014

# SAFETEA-LU Highway Program Structure

- Major Core Programs
  - National Highway System
  - Interstate Maintenance
  - Bridge Program
  - Surface Transportation Program
  - Congestion Mitigation and Air Quality
  - Highway Safety

# MAP-21 Highway Program Structure (92% allocated)

- Four Major “Core” Programs Nationally
  - National Highway Performance Program - \$21.8B
  - Surface Transportation Program - \$10B
  - Highway Safety and Improvement Program - \$2.4B
  - Congestion Mitigation and Air Quality Program - \$2.2B
- Other Programs
  - Metropolitan Planning Program - \$311M
  - Transportation Alternatives Program - \$809M

# Highway Funding Allocations

- No change in the allocation of funds overall
- Allocation methods brought forward from SAFETEA-LU (STP no major change in allocation method other than broke out Enhancement to a new program)
- The good news is some changes to program allocations (old NHS and IM merged and bridge split), but not major changes

# SAFETEA-LU Transit Structure

- Formula Programs - 2012
  - Urban Area Formula Grants - \$4.3B
  - Fixed Guideway Modernization - \$1.7B
  - Rural Formula Grants - \$465M
  - Growing States/High Density States - \$465M
  - Enhanced Mobility for Seniors, etc. - \$134M
- Discretionary Programs – 2012
  - New Starts/Core Capacity - \$1.9B
  - Bus and Bus Facilities Grants - \$984M



# MAP-21 Transit Program Structure

- Formula Programs - 2013
  - Urban Area Formula Grants - \$4.4B
  - State of Good Repair - \$2.1B
  - Rural Formula Grants - \$600M
  - Growing States/High Density States - \$519M
  - Enhanced Mobility for Seniors, etc. - \$255M
  - Bus and Bus Facilities Formula - \$422M
- Discretionary Programs – 2013
  - New Starts/Core Capacity - \$1.9B

# Florida Funding

- Highway Programs
  - 2013 - \$1.835 billion (same as 2012)
  - 2014 - \$1.851 billion (93% effective rate of return)
- Transit Programs
  - Allocated to local transit entities for formula funds
    - Urban/Rural Area Formula, State of Good Repair, Bus Replacement
  - Discretionary grant programs competitive

# Transit Examples

- Urban Area Formula Funds (5307/5340) – greater than 1 million population (\$287M 2012 all funds to Florida)
  - Jacksonville Urban Area - 2013 - \$6.1 million
  - Miami Urban Area (covers Broward, Miami-Dade and Palm Beach Counties) - 2013 - \$48.9 million
  - Orlando Urban Area – 2013 - \$9.2 million
  - Tampa-St. Pete Urban Area – 2013 - \$13.1 million
- 200,000 to 1 million population – 2013 - \$21.4 million and under 200,000 - \$12.5 million

# Transit Funding Changes

- State of Good Repair – “new” program focused on maintaining systems – Florida systems newer so a lower allocation – 2013 \$18 million Florida of \$991 million nationwide
- Bus Replacement/Repair – made an allocation program – 2013 – Florida \$11.8 million of \$250 million nationwide
- Funding shifts

# Innovative Finance Enhanced

- TIFIA Supersized! Florida has used for Miami Intermodal Center, Port of Miami Tunnel, and I-595 P3 – likely will use on I-4 Ultimate
  - From about \$100M to \$600M in 2013 and \$1B in 2014 to leverage loans at about 8 to 1
- Tolling authorized on all new lanes and major bridges (new and replaced)
- P3 technical assistance and key guidance to be provided by USDOT administrations

# The Not So Good

- MAP-21 Only Two Years.
- Highway Trust Fund “consumed” by funding in MAP-21.
- No solution to funding surface transportation beyond MAP-21.
- Confusion about focus of Federal Surface Transportation Program.

# MAP-21 - Two Years

- MAP-21 funding for 2013 and 2014
- Leaves FDOT and MPOs to struggle on what to predict for Federal funding in 2015 and out
- FDOT Current Tentative Work Program fiscal years 2013-14 to 2017-18
- Some items to consider:
  - SAFETEA-LU ran out in 2009, Congress program continued funding levels to 2012
  - 30 plus states rely heavily on Federal program

# Highway Trust Fund KAPUT

- Current commitments consume the Highway Trust Fund
- Per CBO 2013 Highway Account - \$33B and Transit Account - \$5B
- Bottom line – current “user funds” at Federal level inadequate to fund current levels
- Transfers used as temporary supports, General Fund - \$18.8B, LUST - \$2.4B



# Funding Transportation

- Major Studies on Funding
  - Consistent findings – raise gas tax in short run and move to new funding method medium to long-run
    - Method suggested as Vehicle Miles Travelled Fee
  - All hit with a thud with Administration/Congress
    - Gas Tax discussion very unpopular with public
    - VMT is not well understood
- Best Guess
  - More deficit spending for transportation
  - More “one time pops” like ARRA and status quo

# Funding Follows Policies/Projects

- In 50s Interstate System was the National Transportation Policy
- In 80s/90s Urban Mobility became expanded National Transportation Policy
- What is the focus today?

# Focus of Federal Program

- What should be the focus of the Federal transportation program?
  - Interstate System
  - National Defense
  - National Freight Network
  - Emergency Preparedness/Response
  - Urban Mobility
  - Devolution

# Takes a Village

- Education on the Funding Problem
  - What funds transportation today?
  - How much do users pay?
  - How much is needed?
    - To keep the program level?
    - To maintain current level of mobility?
    - To reduce the delay in current level of mobility?
  - How to communicate the problem and possible solutions?

# Questions

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