



Long-range transportation planning includes projecting what funding might be available to support regional transportation investments over the next twenty years. As part of this exercise, the plan is fiscally constrained to ensure planned projects will not exceed foreseeable future revenues. WCOG's financial plan is based on historical growth trends of revenue sources and a retrospective analysis of previous long-range plans to fine tune financial assumptions.

The long range planning period for this plan is the twenty year period between 2012 and the current long range horizon year 2032.

Financial assumptions

The year of expenditure growth rates and forecast assumptions are available in *Appendix K: Forecast assumptions*.

This plan also makes the following assumptions:

- Federal funding will continue to play a significant role in the renewal and expansion of highway and transit infrastructure both nationwide and in this region. A U.S. transportation act to replace of the expired SAFETEA-LU act is assumed.
- Because the region's economic vitality and quality of life depend on a functioning transportation network, this region's municipalities will continue to have an interest in maintaining and optimizing the health of the network. Therefore it is assumed that state and local resources will support the transportation system of this region through 2032 with levels approximately the same as in recent years.
- Funding will continue to be available from WTA in the form of revenue bonds, pay as you go funding, and interest earnings. WTA has been able to refinance bonds, cut expenses and improve fare box revenue through increased ridership and will continue to work at innovative financing to maintain its level of service. WTA will also explore untapped resources and new finance strategies. It is therefore assumed that WTA will maintain the same levels of funding as in recent years through 2032.
- The resource forecast assumes capital funding for other transportation providers will continue, and that the region will continue to secure the federal, state, and local agency funding to preserve and maintain the transportation system.

Long-range resource projections

Federal, state and local resource estimates continue to change. Allocations are revised regularly due to a variety of factors including adjustments for actual uses, changes in resource estimates, and the recession. Despite these changes, the resource estimates in this plan serve as a reasonable baseline to depict future trends in transportation finance for the region.

Table 22 shows a history of federal aid apportionments to WCOG.

Table 22: Surface Transportation Program regional funds to WCOG

Transportation Bill	FFY	Urban	Rural only	NHS	Total by Year	Total by Act
ISTEA	92	\$212,024	\$252,811	\$0	\$464,835	
	93	\$487,922	\$406,272	\$428,106	\$1,322,300	
	94	\$898,860	\$604,305	\$92,408	\$1,595,573	
	95	\$564,937	\$369,816	\$88,635	\$1,023,388	
	96	\$799,892	\$512,387	\$77,329	\$1,389,608	
	97	\$874,770	\$543,948	\$88,165	\$1,506,883	\$7,302,587
TEA-21	98	\$697,214	\$423,401	\$104,889	\$1,225,504	
	99	\$1,289,266	\$322,463	\$133,541	\$1,745,270	
	00	\$1,358,482	\$322,463	\$136,402	\$1,817,347	
	01	\$1,509,823	\$322,463	\$149,639	\$1,981,925	
	02	\$1,614,565	\$322,463	\$159,993	\$2,097,021	
	03	\$1,256,312	\$322,463	\$135,217	\$1,713,992	\$10,581,059
SAFETEA-LU	04	\$1,768,199	\$284,005	\$155,075	\$2,207,279	
	05	\$1,335,647	\$272,621	\$125,037	\$1,733,305	
	06	\$1,316,732	\$277,754	\$126,043	\$1,720,529	
	07	\$1,802,169	\$290,284	\$146,794	\$2,239,247	
	08	\$1,793,383	\$296,299	\$153,176	\$2,242,858	
	09	\$1,096,902	\$290,217	\$125,014	\$1,512,133	\$11,655,351
New Act	10	\$2,219,243	\$300,171	\$175,716	\$2,695,130	
	11	\$2,330,126	\$297,189	\$213,052	\$2,840,367	
	12	\$1,096,902	\$290,217	\$125,014	\$1,512,133	
	13	\$0	\$0	\$0	\$0	
	14	\$0	\$0	\$0	\$0	
	15	\$0	\$0	\$0	\$0	\$7,047,630
Grand Total of all Acts		\$26,323,370	\$7,324,012	\$2,939,245	\$36,586,627	

Transit

WTA has developed a fiscally balanced, long term program for capital and operations based on federal, local, and agency funding levels. The analysis excludes debt service on both the revenue and expenditure side.

WTA estimates include replacement and system expansion needs as well as operational costs for existing and new facilities. These are based on fare revenues and baseline dedicated revenues from state and locally imposed taxes.

For capital costs, federal aid growth rates were determined by using the WSDOT federal funds forecast. State aid was forecasted by the Implicit Price Deflator-Personal Consumption publication.¹

Table 23 shows a history of U.S. Federal Transit Administration (FTA) grant funds received annually at WTA.

¹ *Transportation Revenue Forecast Council Volume I*, WA State Office of Financial Management, 2011: <http://www.ofm.wa.gov/budget/info/Sept11transposummary.pdf>

Table 23: History of FTA grant funds received annually at WTA from ISTEA forward

YEAR	TOTAL	5307	5309	5310	5307-ARRA
1992	\$0	\$0	\$0	\$0	\$0
1993	\$280,365		\$280,365		
1994	\$1,877,220		\$1,877,220		
1995	\$2,257,415	\$67,635	\$2,189,780		
1996	\$575,222	\$575,222			
1997	\$483,569	\$483,569			
1998	\$1,842,177	\$1,842,177			
1999	\$633,286	\$633,286			
2000	\$528,309	\$312,413	\$215,896		
2001	\$2,492,948	\$1,243,050	\$1,249,898		
2002	\$1,297,141	\$1,297,141			
2003	\$574,933	\$574,933			
2004	\$1,071,385	\$1,071,385			
2005	\$981,437	\$981,437			
2006	\$110,262	\$110,262			
2007	\$2,059,321	\$2,059,321			
2008	\$575,448	\$575,448			
2009	\$4,832,386	\$4,832,386			
2010	\$4,132,937	\$0	\$1,859,670	\$617,463	\$1,655,804
Total To-Date	\$26,605,761	\$16,659,665	\$7,672,829	\$617,463	\$1,655,804



Funding sources

WCOG and its member agencies receive funding from numerous federal, state, and local agencies:

- **U.S. Federal Highway Administration** - FHWA provides key funding for a number of regional projects through several separate programs including but not limited to the National Highway System, Interstate Maintenance, the Surface Transportation Program, and the Coordinated Border Infrastructure program.
- **U.S. Federal Transit Administration** – FTA has several programs which provide funding to regional transportation agencies, including but not limited to the Rural Transit Assistance Program, the Metropolitan and Statewide Planning program, and the Transit Cooperative Research program.
- **WA State Department of Transportation** – WSDOT has numerous sources of revenue which go toward paying for maintenance and operations of their transportation network. Funding for the agency primarily comes from the motor vehicle fuel tax.
- **The Transportation Improvement Board** – TIB has several programs which fund specific projects throughout the state, including but not limited to the Urban Corridor Program, the Small City Arterial Program, and the Road Transfer Program.
- **The Freight Mobility Strategic Investment Board** – FMSIB was established in 1998 to identify and prioritize freight-related projects to alleviate congestion and chokepoints. Funds are requested from the state legislature to complete these projects, and are often combined with local or other sources of funding partnerships.

- **Local funds** – Local funds are generally obtained from local gas increments, real estate excise taxes, property taxes, local improvement fees, impact and SEPA mitigation fees, and sales taxes.

Table 24: Projected resources for the Whatcom region 2012-2032

Resource forecast

Forecasts of likely resources available to during the long range planning period are based on the above-mentioned assumptions in concert with assumptions on future federal transportation legislation.

Expenditures

In general, transportation funding sources are in significant decline. It is therefore important to consider how federal funding is pre-designated for defined project categories and how regions must work to identify the best balance.

The three basic project categories are maintenance, preservation, and improvements.

Maintenance

Maintaining the existing regional transportation system is a primary objective. WSDOT and local jurisdictions monitor the condition and operation of existing system components and repair as needed. This plan supports a high priority for routine, regularly scheduled maintenance work as identified by local jurisdictions.

Preservation

The need to preserve the existing system and protect investments that have already been made is also a regional priority. Preservation activities (such as repaving roads, protecting against rock falls, rehabilitating bridges) are identified through a local needs analysis

and the Pavement Management System and Bridge Management System. This plan supports giving preservation projects prime consideration.

Source	Forecast	Subtotal	Percent of Total
Local Jurisdictions			
Property Taxes	\$432,007,318		
Special Assess.	\$56,546,953		
Gen. Fund Approp.	\$127,526,213		
Local Road User	\$4,940,955		
Other Local	\$762,242,759		
State Fuel Tax	\$141,867,809		
Other State Funds	\$87,125,500		
Federal Revenues	\$83,423,113		
Bond Proceeds	\$41,682,742		
Ferry Tolls	\$32,735,134		
Subtotal		\$1,770,098,496	76.0%
WSDOT			
Revenue	\$526,754,514		
Subtotal		\$526,754,514	22.6%
Transit			
Federal Capitol	\$26,388,418		
State Capital	\$6,616,030		
Subtotal		\$33,004,448	1.4%
Total		\$2,329,857,457	

Improvements

In addition to preserving and maintaining existing system components, this plan includes a recommended set of capital and other improvement projects that improve safety, access, connectivity, mobility, transportation demand management, transportation alternatives and contribute to healthy communities. These improvements act together to meet anticipated increases in travel demand.

The program of improvements specified include projects for regional facilities. Those fully funded and with some increment of federal funding, or with implications for the federal highway system, are included in the first four years of the TIP.

Improvement projects are typically very expensive and thus, completing even a small number of projects reduces a region's ability to pay for preservation and maintenance on originally anticipated schedules. Projects that preserve the existing system typically reduce a region's future costs (avoiding the costs of deferred maintenance). At the time this plan is being completed, revenues are in decline and VMT is increasing. Against this backdrop, completing maintenance on schedule becomes more important than usual.



Table 25: Projected expenditures for the Whatcom region 2012-2032

Category	Expenditures	Subtotal	Percent of Total
Local Jurisdictions			
Construction	\$566,194,374		
Preservation	\$63,835,704		
Maintenance	\$607,485,991		
Admin. &	\$189,162,513		
Plant Maint. &	\$2,040,633		
Debt Service	\$55,323,116		
Other	\$190,491,051		
Traffic Policing	\$89,877,323		
Subtotal		\$1,764,410,705	75.9%
WSDOT			
Construction	\$211,754,514		
Preservation	\$145,000,000		
Maintenance	\$170,000,000		
Subtotal		\$526,754,514	22.7%
Transit			
Federal Capital	\$26,388,418		
State Capital	\$6,616,030		
Subtotal		\$33,004,448	1.4%
Total		\$2,324,169,667	

Balance sheet

The following table is the long range balance sheet showing the region's anticipated financial condition during the 2012-2032 planning period.

Resource forecasts exceed projected expenditures by \$5,687,790, showing that expenditures derived from this plan are estimated to be within the fiscally constrained forecasts.

Anticipated resources for the approved 2012-2017 TIP have been considered in developing the long range projects. The total cost of projects programmed in the first four years of the WCOG TIP do not exceed anticipated resources and are thus fiscally constrained.

Table 26: Long range balance sheet for the Whatcom region

Category	Resources	Expenditures	Balance
Local Jurisdictions	\$1,770,098,496	\$1,764,410,705	\$5,687,790
WSDOT	\$526,754,514	\$526,754,514	\$0
Transit	\$33,004,448	\$33,004,448	\$0
Balance			\$5,687,790

