

CHAPTER 6

FINANCIAL PLAN



FINANCIAL PLAN

The financial plan is a critical component of the Ulster County Transportation Council's (UCTC) Long Range Transportation Plan (LRTP). It contains forecasts of federal, state and local funding anticipated during the planning period as well as the identification of current and future needs. This chapter contains a review of the Safe Accountable Flexible Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) requirements for financial planning; a brief summary of funding issues in Ulster County; a review of likely sources of State and federal funding; and a table showing the projected funding available for the financially constrained plan.

The project needs identified during the planning process will require considerably more funding to implement than is projected to be available. Additional funding sources, outside the traditional Federal funds passed through to UCTC from NYSDOT, are needed to address Ulster County's transportation needs.

Financial Planning Requirements

Under the requirements of SAFETEA-LU, the MPO must adopt a financially constrained plan, showing prioritized projects that can be funded with revenues that are reasonably expected to be available during the planning period. SAFETEA-LU also requires the long range transportation plan to include a financial element that demonstrates how the adopted transportation plan can be implemented.

The financial plan must result from a collaborative effort by the MPO, public transit operator(s), and the State. The financial plan must include estimates of funds that will be available to support metropolitan transportation plan implementation, and all necessary financial resources from public and private sources that are reasonably expected to be available. The financial plan may (but is not required to) include illustrative projects that would be included in the adopted, financially constrained plan for consideration if and when additional resources beyond the funds identified in the financial plan were to become available.

Funding Needs and Sources

Funding needs and funding sources help shape the financial plan's development. Before a request for funding can be submitted, funding needs must be identified. Table 6-1 identifies the current and forecasted (year of expenditure compliant) transportation and transit needs in Ulster County. A total of \$2.47 billion dollars is needed over the next twenty-five years to maintain the Ulster County transportation and public transit systems.

The major regional funding sources for the Long Range Transportation Plan (LRTP) include:

- New York State Department of Transportation (NYSDOT) Funds
- Ulster County Transportation Council Federal Funds



Table 6-1: Current and Future Transportation and Transit Needs

Needs (In Millions of Dollars)			YOE	YOE
	2007	2010	2011 to 2015	2011 to 2035
Maintenance Needs				
Paving	5.658	5.828	31.344	212.492
Bridge	1.902	1.959	10.536	71.426
Roadway	3.048	3.139	16.884	114.460
Signage	0.380	0.392	2.107	14.285
Highway Lighting	0.048	0.049	0.263	1.786
Maintenance Total	11.036	11.367	61.134	414.449
Operations Needs				
ITS Field Equipment Maintenance	0.443	0.456	2.455	16.642
HELP	0.476	0.490	2.634	17.856
TMC Operations	0.458	0.472	2.539	17.214
Maintenance Group Operations	0.951	0.980	5.268	35.713
Signal Requirements	0.143	0.147	0.790	5.357
Signal Upgrade	0.787	0.811	4.359	29.552
Rest Areas Operations	0.190	0.196	1.054	7.143
Operations Total	4.589	4.727	25.420	172.333
Operations Let Total	1.120	1.153	6.203	42.052
Transit/Transit Demand Mgmt. Needs	11.882	12.238	65.818	446.205
Corrective Maintenance Needs				
Reconstruction & Preservation (R&P)	0.357	0.367	1.975	13.392
Interstate/Parkway Rehab	1.883	1.939	10.430	70.712
Other Rehab	0.666	0.686	3.688	24.999
Two Course Overlay	1.427	1.469	7.902	53.569
Bridge Replace/Rehab	15.977	16.456	88.501	599.977
ITS Installation	0.476	0.490	2.634	17.856
Safety Requirements	0.095	0.098	0.527	3.571
Intersection Improvement (2 / year)	0.380	0.392	2.107	14.285
Major Highway Safety	0.666	0.686	3.688	24.999
Railroad Crossing Safety	0.190	0.196	1.054	7.143
Sidewalks & Trails	0.666	0.686	3.688	24.999
Landscape / Environmental Initiative	0.095	0.098	0.527	3.571
Park & Rides	0.095	0.098	0.527	3.571
New Rest Areas	0.095	0.098	0.527	3.571
Corrective Maintenance Total	23.067	23.759	127.773	866.217
Design and Construction Inspection	8.810	9.075	48.804	330.859
Right of Way Costs	0.951	0.980	5.268	35.713
Operations Not Let	3.488	3.593	19.323	130.995
Total State System Needs	48.472	49.927	268.505	1,820.285
Total Local System Needs	17.493	18.018	96.899	656.912
Total System Needs	65.965	67.944	365.404	2,477.197

Source: NYSDOT, UCAT and Kingston Citibus. Note: All numbers are Year of Expenditure compliant, whereby inflation factors have been applied.



The following sources of funding are considered to be reasonably available throughout the duration of the planning period, and have had a long history of funding availability in the past. It should also be noted that revenues and needs projections are expressed in “Year of Expenditure” (YOE) dollars, which reflect the actual number of dollars collected in a given year.

New York State Department of Transportation Funds

State Dedicated Funds. State Dedicated Funds (SDF) is a state dedicated fund source that is comprised of funds generated from gasoline and use fuel taxes, a portion of the vehicle license tax, registration fees, and other miscellaneous State revenue sources.

State Funds. State funds is funding from a variety of New York State sources, excluding transit and highway funds from the State Dedicated Fund (SDF), including NYS Legislative Member items, Marchiselli or SHIP programs, State Transit Operating Assistance (STOA), NYS Bond Issues, NYS Match, or miscellaneous SDF (Rail, etc).

Consolidated Local Street and Highway Improvement Program (CHIPS). CHIPS is a State funded and NYSDOT administered transportation funding program. The objective of CHIPS is to assist localities in financing the construction, reconstruction, or improvement of local highways, bridges, highway-railroad crossings, and/or other local facilities in accordance with Section 4 of Chapter 84 of the Laws of 2002. The municipality is responsible for selecting projects and, for eligibility, must certify that the project is expected to have a useful service life of at least ten years. Eligible projects include highway resurfacing, highway reconstruction, traffic control devices, bridge/culvert rehabilitation, bridge/culvert replacement, and other. Each municipality that applies for CHIPS funding may be awarded funds based upon a set of criteria. CHIPS funding does not require a local match. CHIPS funding is not programmed in the UCTC’s Transportation Improvement Program (TIP).

Statewide Mass Transportation Operating Assistance (STOA). The New York State Department of Transportation (NYSDOT) distributes about \$3.0 billion annually in Statewide Mass Transportation Operating Assistance (STOA), and other transportation assistance, to approximately 130 transit operators. New York State transit systems carry nearly one-third of the nation's transit riders and provide nearly one-quarter of transit services nationwide. Over the past five years statewide ridership has increased by about 13%; it is estimated that more than 70% of these trips are work related. The current STOA payment formula is \$.405 per passenger, \$.69 per vehicle mile for both upstate and downstate transit operators.

Ulster County Transportation Council Federal Funds

A number of Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) funding sources are available for use in implementing projects in the UCTC LRTP. Sources for funding are discussed below and summarized in Table 6-2. It is projected that a total of \$986 million (Year of Expenditure \$’s) will be available for



the implementation of transportation and public transit projects and programs between FFY 2011 and FFY 2035.

Highway Bridge Replacement and Rehabilitation Program (HBRRP) funds set aside for the Bridge Discretionary Program may be obligated, at the discretion of the Secretary of Transportation, only for the replacement or rehabilitation of bridges which cost more than \$10 million each, or at least twice the amount of HBRRP funds apportioned to the State in which the bridge is located. Through regulation, discretionary bridge projects must be on a Federal-aid highway. A local match of 20% is required.

Congestion Mitigation And Air Quality Improvement Program (CMAQ). Projects and program eligible to receive CMAQ funding include: transportation activities in an approved State Implementation Plan, transportation control measures to assist areas designated as nonattainment under the Clean Air Act Amendments (CAAA) of 1990, pedestrian/bicycle facilities, traffic management/monitoring/congestion relief strategies, transit (new system/service expansion or operations), alternative fuel projects (including vehicle refueling infrastructure, clean fuel fleet programs and conversions), vehicle inspection and maintenance (I/M) programs, intermodal freight, telework/telecommuting programs, travel demand management, development activities in support of eligible projects (e.g. NEPA studies), public education and outreach activities, rideshare programs, establishing/contracting with transportation management associations (TMAs), fare/fee subsidy programs (operating subsidies have a 3-year limit), HOV programs, including HOT lanes diesel retrofits, truck-stop electrification experimental pilot projects, and other transportation projects with air quality benefits. Local Share: 20 percent, 10 percent if used on the Interstate System, 0 percent if used for certain safety projects (e.g., carpool/vanpool projects, priority control systems for emergency vehicles and transit vehicles, and traffic control signalization), and up to 0 percent local share on CMAQ funds obligated in fiscal years 2008 and 2009.

Elimination Of Hazards At Railway-Highway Crossings. All at-grade public crossing safety improvement projects meeting the eligibility description in 23 U.S.C. §130 are eligible for funding, including, but not limited to, the installation of protective devices, the elimination of hazards, and grade crossing separation. Local share is 10%, with certain safety improvements eligible for 100 percent federal share under 23 U.S.C. 120(c).

Ferry Boat Discretionary (FBD) Program. FBD funds may be used for the construction of ferry boats and ferry terminal facilities in accordance with 23 U.S.C. 129(c). A 20% local match is required.

High Priority Projects (HPP) Program. Funds allocated to States for use of regular Federal-aid program obligation authority (SAFETEA-LU, Section 1702 HPPs, FYs 2005-2009). HPP Program is also known to many as the Congressional earmarks program. Information relative to eligible activities (i.e., studies, preliminary engineering, construction, etc.) is specified in the project description in Section 1702 of SAFETEA-LU. Local share is 20% or as specified in SAFETEA-LU Legislation.



Highway Bridge Program (HBP). HBP funds may be used for the total replacement of a structurally deficient or functionally obsolete highway bridge on any public road with a new facility constructed in the same general traffic corridor, the rehabilitation that is required to restore the structural integrity of a bridge on any public road, as well as the rehabilitation work necessary to correct major safety (functional) defects, the replacement of ferryboat operations in existence on January 1, 1984, the replacement of bridges destroyed before 1965, low-water crossings, and bridges made obsolete by Corps of Engineers (COE) flood control or channelization projects and not rebuilt with COE funds, and bridge painting, seismic retrofitting, systematic preventative maintenance, calcium magnesium acetate applications, sodium acetate/formate, or other environmentally acceptable, minimally corrosive anti-icing and de-icing compositions or installing scour countermeasures. Deficient highway bridges eligible for replacement or rehabilitation must be over waterways, other topographical barriers, other highways, or railroads. The condition of bridges may also be improved through systematic preventative maintenance. Local match of 20% is required and 10% for bridges on the Interstate Highway System.

Highway Safety Improvement Program (HSIP). HSIP funds may be used to carry out highway safety improvement projects on any public road or publicly owned bicycle or pedestrian pathway or trail. A 10 percent local match is required, subject to the sliding scale adjustment. Certain safety improvements are eligible for 100 percent Federal funding under 23 U.S.C. 120(c).

Interstate Maintenance (IM). Types of work eligible for IM funding include projects for resurfacing, restoration, rehabilitation, and reconstruction; projects for the reconstruction or new construction of bridges, interchanges, and over crossings along existing Interstate routes, including the acquisition of right-of-way where necessary; capital costs for operational, safety, traffic management, or intelligent transportation systems (ITS) improvements (operating costs are not eligible for IM funds); and projects for preventive maintenance. Under the provisions of 23 U.S.C. 119(d), construction of new travel lanes, other than high occupancy vehicle (HOV) or auxiliary lanes, is not eligible for IM funding. Local match is 10% including sliding scale, under the provisions of 23 U.S.C. 120.

Metropolitan Planning (PL) Funds. PL funds are available for MPOs to carry out the metropolitan transportation planning process required by 23 U.S.C. 134, including development of metropolitan area transportation plans and transportation improvement programs. Eligible activities include conducting inventories of existing routes to determine their physical condition and capacity, determining the types and volumes of vehicles using these routes, predicting the level and location of future population, employment, and economic growth, and using such information to determine current and future transportation needs. Under 23 U.S.C. 134, MPOs are responsible for developing, in cooperation with the State and affected transit operators, a long-range transportation plan and a transportation improvement program (TIP) for the area. Both the plan and the TIP must be fiscally constrained. The TIP also must be prioritized, and consistent with the transportation plan, and must include all projects in the metropolitan area that are

proposed for funding with either Title 23 or Federal Transit Act (Title 49, U.S.C., Chapter 53) money. A local share of 20% subject to sliding scale, unless the Secretary determines that the interests of the Federal-aid highway program would be best served by decreasing or eliminating the non-Federal share.

National Highway System (NHS) Funds. Funds apportioned to a State for the NHS may be obligated for: construction, reconstruction, resurfacing, restoration, and rehabilitation of segments of the NHS; operational improvements for segments of the NHS; construction of, and operational improvements for, a Federal-aid highway not on the NHS, and construction of a transit project eligible for assistance under chapter 53 of title 49 if (a) such highway or transit project is in the same corridor as, and in proximity to, a fully access-controlled NHS highway, (b) the construction or improvements will improve the level of service on the fully access-controlled NHS highway and improve regional travel, and (c) the construction or improvements are more cost-effective than improvements on the fully access controlled NHS highway would be to provide the same benefits; highway safety improvements for segments of the NHS; transportation planning in accordance with 23 U.S.C. 134 and 135; highway research and planning in accordance with chapter 5 of title 23; highway-related technology transfer activities; capital and operating costs for traffic monitoring, management, and control facilities and programs; fringe and corridor parking facilities; Carpool and vanpool projects; bicycle transportation and pedestrian walkways in accordance with 23 U.S.C. 217; development, establishment, and implementation of management systems under 23 U.S.C. 303; publicly-owned intracity or intercity bus terminals; infrastructure-based intelligent transportation systems capital improvements; environmental restoration and pollution abatement in accordance with 23 U.S.C. 328; and control of noxious weeds and aquatic noxious weeds and establishment of native species in accordance with 23 U.S.C. 329.

In accordance with all applicable Federal law (including regulations), participation in natural habitat and wetland mitigation efforts related to projects funded under this title, which may include participation in natural habitat and wetland mitigation banks, contributions to statewide and regional efforts to conserve, restore, enhance, and create natural habitats and wetland, and development of statewide and regional natural habitat and wetland conservation and mitigation plans, including any such banks, efforts, and plans authorized under the Water Resources Development Act of 1990 (Public Law 101-640) (including crediting provisions). Contributions to the mitigation efforts described in the preceding sentence may take place concurrent with or in advance of project construction; except that contributions in advance of project construction may occur only if the efforts are consistent with all applicable requirements of Federal law (including regulations) and State transportation planning processes. With respect to participation in a natural habitat or wetland mitigation effort related to a project funded under this title that has an impact that occurs within the service area of a mitigation bank, preference shall be given, to the maximum extent practicable, to the use of the mitigation bank if the bank contains sufficient available credits to offset the impact and the bank is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605 (November 28, 1995)) or other applicable Federal law (including regulations).



STP Set Aside For Transportation Enhancements. Surface Transportation Program (STP) Transportation enhancements program (TEP) funds may be available for the following eligible project concepts: Provision of facilities for pedestrians and bicycles, provision of safety and educational activities for pedestrians and bicyclists, acquisition of scenic easements and scenic or historic sites (including historic battlefields), scenic or historic highway programs (including the provision of tourist and welcome center facilities), landscaping and other scenic beautification, historic preservation, rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals), preservation of abandoned railway corridors (including the conversion and use of the corridors for pedestrian or bicycle trails, inventory, control, and removal of outdoor advertising, archaeological planning and research, environmental mitigation to address water pollution due to highway runoff; or, reduce vehicle-caused wildlife mortality while maintaining habitat connectivity, establishment of transportation museums.

Each State administers its own TEP process and develops its own procedures to solicit and select projects for funding. States are encouraged to enter into contracts and cooperative agreements with qualified youth conservation or service corps to perform appropriate transportation enhancement activities (TEA-21 Section 1108(g)). Local funding share is 20 percent with sliding scale. Title 23, section 133(e)(5)(C) has additional provisions for innovative financing: Provided that the aggregate non-Federal share is the same as the non-Federal share required under Section 120(b): 20 percent with sliding scale: (1) funds from other Federal agencies or other contributions to be credited toward the non-Federal share, (2) the non-Federal share may be calculated on a multiple project or program basis, or (3) the Federal share of an individual project may be up to 100 percent.

Safe Routes To School (SRTS) Funding. SRTS funds are made available for infrastructure and non-infrastructure projects, and to administer SRTS programs that benefit elementary and middle school children in grades K - 8. Each State must use a sufficient amount of the funds (infrastructure) to fund a full-time position of coordinator of the State's safe routes to school program. Not less than 10 percent and not more than 30 percent of each State's apportionment is required to be spent on non-infrastructure activities.

Eligible infrastructure-related SRTS projects include the planning, design, and construction of infrastructure-related projects that will substantially improve the ability of students to walk and bicycle to school, including sidewalk improvements, traffic calming and speed reduction improvements, pedestrian and bicycle crossing improvements, on-street bicycle facilities, off-street bicycle and pedestrian facilities, secure bicycle parking facilities, and traffic diversion improvements in the vicinity of schools.

Construction and capital SRTS improvement projects must be located within approximately two miles of a primary or middle school (grades K - 8). The State SRTS Coordinator position in each State is funded from the infrastructure portion of the State's SRTS Program apportionment. Each State must set aside from its SRTS annual



apportionment not less than 10 percent and not more than 30 percent of the funds for noninfrastructure-related activities to encourage walking and bicycling to school, including public awareness campaigns and outreach to press and community leaders, traffic education and enforcement in the vicinity of schools (within approximately 2 miles) student sessions on bicycle and pedestrian safety, health, and environment, and funding for training, volunteers, and managers of safe routes to school programs. There is no local matching fund requirement for SRTS funding.

STP Funds. Surface Transportation Program (STP) funds come in a variety of types for a variety of transportation uses, conditions and locations. STP funding types targeted for Ulster County include STP Flex, STP Large Urban, STP Small Urban, and STP Rural. Funds apportioned to a State for the STP may be obligated for construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways (including Interstate highways) and bridges (including bridges on public roads of all functional classifications), including any such construction or reconstruction necessary to accommodate other transportation modes, and including the seismic retrofit and painting of and application of calcium magnesium acetate, sodium acetate/formate, or other environmentally acceptable, minimally corrosive anti-icing and de-icing compositions on bridges and approaches thereto and other elevated structures, mitigation of damage to wildlife, habitat, and ecosystems caused by a transportation project funded under Title 23, United States Code, capital costs for transit projects eligible for assistance under chapter 53 of Title 49, United States Code, including vehicles and facilities, whether publicly or privately owned that are used to provide intercity passenger service by bus, carpool projects, fringe and corridor parking facilities and programs, bicycle transportation and pedestrian walkways in accordance with 23 U.S.C. 217, and the modification of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), highway and transit safety infrastructure improvements and programs, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossings; highway and transit research and development and technology transfer programs; capital and operating costs for traffic monitoring, management, and control facilities and programs, including advanced truck stop electrification systems, surface transportation planning programs; transportation enhancement activities; transportation control measures listed in Section 108(f)(1)(A) (other than clause xvi) of the Clean Air Act (42 U.S.C. 7408(f)(1)(A)).

In addition, STP funds may be used for the following environmental mitigation activities: participation in natural habitat and wetland mitigation efforts related to projects funded under this title, which may include participation in natural habitat and wetland mitigation banks, contributions to statewide and regional efforts to conserve, restore, enhance, and create natural habitats and wetland, and development of statewide and regional natural habitat and wetland conservation and mitigation plans, including any such banks, efforts, and plans authorized under the Water Resources Development Act of 1990 (Public Law 101-640) (including crediting provisions). Contributions to the mitigation efforts described in the preceding sentence may take place concurrent with or in advance of project construction; except that contributions in advance of project construction may occur only if the efforts are consistent with all applicable requirements of Federal law



(including regulations) and State transportation planning processes. With respect to participation in a natural habitat or wetland mitigation effort related to a project funded under this title that has an impact that occurs within the service area of a mitigation bank, preference shall be given, to the maximum extent practicable, to the use of the mitigation bank if the bank contains sufficient available credits to offset the impact and the bank is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605 (November 28, 1995)) or other applicable Federal law (including regulations).

STP funds may also be used for the following: Projects relating to intersections that have disproportionately high accident rates, have high levels of congestion, as evidenced by interrupted traffic flow at the intersection; and a level of service (LOS) rating that is not better than "F" during peak travel hours, calculated in accordance with the Highway Capacity Manual issued by the Transportation Research Board, and are located on a Federal-aid highway; infrastructure-based intelligent transportation systems capital improvements; environmental restoration and pollution abatement in accordance with 23 U.S.C. 328; and Control of noxious weeds and aquatic noxious weeds and establishment of native species in accordance with 23 U.S.C. 329. STP funds generally require a 20% local match.

FTA Section 5307 Funds: Urbanized Area Formula Funding. This program (49 U.S.C. 5307) makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance in urbanized areas and for transportation related planning. Eligible activities include planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs. For urbanized areas with populations less than 200,000, operating assistance is an eligible expense. In these areas, at least one percent of the funding apportioned to each area must be used for transit enhancement activities such as historic preservation, landscaping, public art, pedestrian access, bicycle access, and enhanced access for persons with disabilities.

For urbanized areas with 200,000 in population and over, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive Federal funds. For urbanized areas under 200,000 in population, the funds are apportioned to the Governor of each state for distribution. A few areas under 200,000 in population have been designated as transportation management areas (TMA) and receive apportionments directly.

FTA Section 5309 Funds: Buses and Bus Related Equipment and Facilities. This program provides capital assistance for new and replacement buses, related equipment, and



facilities. Eligible capital projects include the purchasing of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventive maintenance, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers and shop and garage equipment.

Eligible recipients for capital investment funds are public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and instrumentalities of one or more states; and certain public corporations, boards and commissions established under state law. Funds are allocated on a discretionary basis. Private companies engaged in public transportation and private non-profit organizations are eligible sub recipients of FTA grants. Private operators may now receive FTA funds as a pass through without competition if they are included in a program of projects submitted by the designated public authority acting as the direct recipient of a grant. Funds remain available for obligation for three fiscal years. This includes the fiscal year in which the amount is made available or appropriated plus two additional years.

FTA Section 5311 Funds: Rural and Small Areas. The Section 5311 program (49 U.S.C. 5311) provides formula funding to states for the purpose of supporting public transportation in areas of less than 50,000 populations. Eighty percent of the statutory formula is based on the nonurbanized population of the States. Twenty percent of the formula is based on land area. No State may receive more than 5 percent of the amount apportioned for land area. In addition, FTA adds amounts apportioned based on nonurbanized population according to the growing States formula factors of 49 U.S.C. 5340 to the amounts apportioned to the States under the Section 5311 program.

Funds may be used for capital, operating, and administrative assistance to state agencies, local public bodies, Indian tribes, and nonprofit organizations, and operators of public transportation services. The state must use 15 percent of its annual apportionment to support intercity bus service, unless the Governor certifies, after consultation with affected intercity bus providers that these needs of the state are adequately met. Projects to meet the requirements of the Americans with Disabilities Act, the Clean Air Act, or bicycle access projects, may be funded at 90 percent Federal match. The maximum FTA share for operating assistance is 50 percent of the net operating costs.

FTA Section 5310: Elderly Persons and Persons with Disabilities (49 U.S.C. 5310). This program is a formula-based funding source, administered by States to private, non-profit groups that strive to accommodate the transportation needs of the elderly and persons with disabilities when transportation service(s) offered within the designated area is unavailable, insufficient, or unsuitable. Successful applicants are responsible for 100% of the non-federal share. To encourage coordination among federal agencies that provide transportation services, the “non-federal” match may be provided from different sources, including amounts available to a department or agency of the federal government, other



than the Department of Transportation. Section 5310 funds require a 20% local matching share and may only be used for capital purchases.

FTA Section 5316: Job Access Reverse Commute (49 U.S.C. 5316). Job Access and Reverse Commute (JARC) is a formula-based funding program that addresses the unique, work-related, commuting challenges faced by to low-income individuals and welfare recipients. To encourage coordination among federal agencies that provide transportation services, the “non-federal” match may be provided from different sources, including amounts available to a department or agency of the federal government, other than the Department of Transportation. Section 5316 funds may be used for capital purchases or operations. Capital purchases require a 20% local match while a 50% local match is required for operations.

FTA Section 5317 – New Freedom Initiative (49 U.S.C. 5317). The New Freedom Initiative, introduced in SAFETEA-LU, supports new public transportation services and public transportation alternatives beyond what is required by the Americans with Disabilities Act (ADA) of 1990. To encourage coordination among federal agencies that provide transportation services, the “non-federal” match may be provided from different sources, including amounts available to a department or agency of the federal government, other than the Department of Transportation. Section 5317 funds may be used for capital purchases or operations. Capital purchases require a 20% local match while a 50% local match is required for operations.

Funding Forecasts

Table 6-2 provides a look at forecasted revenues from Federal, State and local funding sources compared to projected needs. The forecasts are divided into short range (2011 to 2015) and long range (2011-2035) estimates. The forecasted numbers were provided by NYSDOT with verification from Ulster County Area Transit and Kingston Citibus. The estimates include inflation factors applied to fulfill federal Year of Expenditure (YOE) compliance requirements. Revenue categories include Federal Highway Administration (FHWA), Federal Transit Administration (FTA), State, and local funding sources.

Anticipated transportation and transit revenues in the short term total approximately \$200 million while short term needs total approximately \$365 million, a deficit of nearly \$165 million. Long term revenues anticipated for Ulster County total approximately \$1 billion while long term needs total more than \$2.4 billion, a deficit of over \$1.4 billion. The resulting analysis underscores the need for more efficient and effective uses of existing resources. Moreover, there is a sense of urgency to begin looking for alternative funding sources to help fill the gap between anticipated resources and projected needs.



Table 6-2: Total Anticipated Funding Resources Compared to Needs

Funding Sources		Total	Total
(In Millions of Dollars)		2011 to	2011 to
		2015	2035
Federal Highway Administration Funds			
National Highway System (NHS)		16.46	82.30
Highway Bridge Rehabilitation and Repair (HBRR)		29.28	146.40
Interstate Maintenance (IM)		13.56	67.80
Congestion Mitigation and Air Quality Improvement (CMAQ)		2.28	11.40
Surface Transportation Program Flexible (STP Flex)		16.56	82.80
Surface Transportation Program Large Urban (STP Lg Urban)		0.82	4.10
Surface Transportation Program Small Urban (STP Sm Urban)		3.74	18.70
Surface Transportation Program Rural (STP Rural)		3.64	18.20
Surface Transportation Program Safety (STP Safety)		3.08	15.40
Surface Transportation Program Rail (STP Rail)		0.44	2.20
Sub Total		89.86	449.30
Federal Transit Administration Funds			
Section 5307		9.36	47.97
Section 5311		0.62	3.18
Sub Total		9.98	51.15
State Funds			
State Dedicated Funds		83.24	416.20
State Operating Assistance (transit operators)		9.72	48.60
Sub Total		92.96	464.80
Local Funds			
Matching Funds for Federal Highway Administration Funds Projects		4.00	20.00
Matching Funds for Federal Transit Administration Funds		1.00	4.99
Transit Farebox Revenues		2.15	10.73
Sub Total		7.14	35.72
TOTAL RESOURCES ANTICIPATED		199.94	1,000.96
TOTAL PROJECTED NEEDS		365.40	2,477.20
DIFFERENCE BETWEEN RESOURCES ANTICIPATED & NEEDS		-165.46	-1,476.23

Source: NYSDOT, UCAT, Kingston Citibus. Note: All numbers are Year of Expenditure compliant, whereby inflation factors are applied.



Financial Issues

Funding for transportation infrastructure and maintenance has not kept pace with time and population growth in Ulster County. As shown in Table 6-2, the difference between funding resources anticipated compared to projected needs is significant and competition for federal aid is likely to increase over time. The State mandated federal aid funding cap for local projects limits Ulster County's ability to meet its transportation needs. The local federal aid cap in Ulster County is currently set at approximately \$5 million per year and is forecasted to remain at \$5 million through 2035. As an example, the Kerhonkson Bridge replacement over the Rondout Creek in the Town of Wawarsing totaled \$4.8 million in 2009 or nearly 96% of Ulster County's annual federal aid allocation. Meanwhile, energy prices and cost of doing business in Ulster County continue to increase substantially each year. UCTC members need to lobby the State Legislature to remove or modify the local federal aid funding cap.

Implementing projects already programmed on the TIP/STIP is another financial concern. A number of federally funded local and State projects are eligible for implementation each year. However, only a fraction of these projects are actually implemented. Unused FHWA federal obligation authority is perishable and does not accumulate and carry over into the next Federal Fiscal Year. Therefore, any scheduled project that is not implemented on time represents an opportunity cost for Ulster County residents and travelers. Additionally, projects programmed, but not acted upon, hold up federal funding that could otherwise be utilized by other project sponsors waiting for federal aid. UCTC staff is working with NYSDOT and local project sponsors to stay on top of project priorities and help sponsors move their projects to implementation. Staff also helps project sponsors find unused federal aid and process TIP amendments to modify transportation priorities to help utilize federal aid obligation authority before it expires. A new programming policy may be needed to deal with State and local projects that are not implemented in a timely manner.

The funding outlook for transportation improvements over the next twenty-five years will be challenging. Local and State project sponsors are encouraged to seek alternative funding sources to help make up for the growing gap between available federal funds and project needs. Alternative funding sources to consider include the establishment of local transportation districts similar to the Town of Ulster's current efforts. Another funding source may be the State Environmental Quality Review Act's (SEQR) environmental mitigation process whereby developers are assessed a transportation mitigation fee for new development impacts to the transportation system. Another funding possibility may be the establishment of a countywide transportation improvement district to help manage the implementation of transportation improvements over multiple jurisdictions. The same transportation district concept could be applied to public transit operations. And finally, local project sponsors should consider pooling resources to share engineering staff and expertise to help expedite local project implementation more efficiently and effectively.

