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Project No. NCHRP 20-65/Task 27

**INNOVATIVE FINANCING TECHNIQUES AND BEST PRACTICES FOR
PROVIDING MATCH ON FEDERAL TRANSIT ADMINISTRATION PROJECTS**

PRELIMINARY DRAFT
FINAL REPORT

Prepared for
National Cooperative Highway Research Program (NCHRP)
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AECOM
Arlington, Virginia
April, 2011

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The authors wish to thank the transit agency and states' Department of Transportation (DOT) representatives who responded to the survey.

ABSTRACT

This report documents and presents innovative financing techniques adopted by state and local agencies that allow them to broaden available sources of funds and provide them greater flexibility with their existing funds. Such techniques maximize the states' ability to leverage available capital from federal, state, and local sources and effectively utilize existing funds. This report documents the results of an internet survey of state DOTs, a literature review of relevant published work in the area of transit economics and finance, and detailed telephone interviews with selected states that use innovative techniques. This report documents the list of innovative financing techniques used by the states with a description of the method and related background material that will prove beneficial to other states.

EXECUTIVE SUMMARY

Background

The Federal Transit Administration (FTA) has been investing in building capacity and improving the quality of public transportation throughout the United States. Over the last 25 years, the FTA has successfully managed major assistance programs and leveraged state and local funding to revitalize, expand, and enhance the public transportation systems throughout the country. The funds from these assistance programs are distributed through legislatively defined formulas or on a discretionary basis. Generally speaking, roughly 80 percent of the capital funds are provided by the FTA grant program with the remaining 20 percent non-federal share matched by the states and/or the local agencies. Operating funding is matched on a 50/50 basis. The states and locals strive to take full advantage of the federal funding by providing the entire non-federal share using a variety of allowable sources of funding.

The traditional sources of funding for transit across the states include, but are not limited to, passenger fares and other internally generated funds, the gas tax, general fund, motor vehicle/rental car sales tax, bond proceeds, user fees, property tax, and the general sales tax. The reliability of these traditional sources of funding has caused concern in the last decade. Even during better economic times, the funding available from the traditional sources was not sufficient to keep up with all transit needs. During lean economic times there is added pressure for states and local agencies to scavenge for the non-federal share or forego federal funds altogether. In fact, lack of state and local matching funds is cited as a major barrier in the development of new or expanded services in rural areas¹ as well as of human services transportation².

One alternative to address this problem is to review the innovative financing techniques that allow states to stretch the available match funds and provide greater flexibility to the states and local agencies. These options have to be fully leveraged to make use of higher federal contribution, which automatically reduces the non-federal share, thereby marginally reducing the burden on states and local agencies. This research effort aims to identify and describe the innovative financing techniques adopted by the state and local agencies that will prove to be beneficial to other states.

Research Approach

The research plan was executed in three tasks. In the first task, an internet survey was conducted to identify the problems with local matching funds and the innovative financing techniques used by the states. In the second task, a literature review and follow-up interviews with a select group of states was conducted. In the third task, this report draft was developed as a resource document.

The following lists the main innovative financing techniques researched in the literature review and internet survey:

¹ Rural Transit Achievements: Assessing the Outcomes of Increased Funding For Rural Passenger Services Under SAFETEA-LU, Research Results Digest 93, Transit Cooperative Research Program, September 2009.

² *A Review of Human Services Transportation Plans and Grant Programs, Research Results Digest 354*; National Highway Cooperative Research Program, July 2011, p.5.

- Transportation Development Credits (formerly known as Toll Credits)
- Soft match or In-kind
- Higher allowed federal share for certain items
 - Vehicles and Facilities
 - Sliding Scale
 - Budgeting Maintenance or fuel³ for reimbursement from funds that would otherwise be restricted to capital
 - Use of Purchase of Service
 - Capital Cost of Contracting

The research team contacted five states who use both “other” innovative financing techniques and strategies to overcome the increase/decrease of local/state match to stretch available match funds further, were willing to participate in a phone interview, and thought their state would provide an interesting case study. Detailed phone interviews were conducted with California, Iowa, New Hampshire, Oregon, and Texas.

Conclusions

The techniques used for overcoming difficulties with acquiring local matching funds for the other federal grant programs are relatively well known and utilized.

- Most state DOT representatives are familiar with and many use 5307 Formula Funds for Maintenance. Those that use this technique think that the benefits are worth the administrative effort. States that said they did not use this technique say the funds are received directly by metropolitan planning organizations (MPOs), and that the MPOs use this technique.
- Most state DOT representatives are familiar with and use the soft or in-kind matching technique for staff, land or other. Those that use this technique find that the benefits are worth the administrative costs. Those that do not use this technique cite that available funds are fully utilized therefore there is no advantage and also that the FTA’s rules for utilizing this technique are not straightforward and there has been confusion over what can be counted as an in-kind match.
- Most state DOT representatives are familiar with higher federal share availability for Clean Air Act (CAA) and Americans with Disabilities Act (ADA) projects and sliding scale (those that are eligible). Representatives were less aware of higher federal share availability for bicycle projects. Most states that did not use the higher federal share availability for CAA and ADA cited that they did not use them because they were not familiar with them or available funds are fully utilized, therefore there was no advantage. The states that are eligible for the sliding scale mostly use this technique and find that the benefits are worth the administrative burden.

³ On January 20, 2012, the FTA Administrator outlined in his “Dear Colleague” letter the availability for fuel and power expenses of 2012 formula funds that would otherwise be restricted to capital investments:

Under the provisions of the Appropriations Act, the FTA may treat fuel costs for vehicle operations, including utility costs for the propulsion of vehicles, as a capital maintenance item for grants made in FY 2012 under the Urbanized Area Formula Program. However, the Act also caps the amount that may be used under this new authority by all grantees collectively at \$100 million.

The research in this report preceded the announcement, so no experience with this provision is reported.

- Most state DOT representatives are not familiar with Transportation Development Credits and do not use them. The states that are using TDCs generally find them to be worth the administrative efforts required. The states that do not use TDCs cited unfamiliarity and lack of toll roads in their state as their reasons for not using them.
- Most state DOT representatives are familiar with the technique of using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service, that their state uses this technique and that the benefits are worth the administrative effort. States that do not use this technique say they are unfamiliar with the technique and that the 5307 funds are received directly by MPOs.
- Most state DOT representatives are not familiar with Interagency Coordination of Over-Match and do not use this technique. The states that are using this technique generally find it to be worth the administrative efforts required, but the effort is great enough to materially offset the benefits. The states that do not use this technique state unfamiliarity as their reason.

Recommendations

Most state representatives responded that their state has the most difficulty acquiring local matching funds for Section 5310, 5316, and 5317 programs. Creative coordination with human services agencies to take advantage of other sources of local funding is recommended.

Voluntary joint procurements facilitated by the state DOT for vehicles in urban and rural areas that minimize the administrative costs of procurements are recommended.

Some states commented that the FTA's rules for utilizing the in-kind matching technique are not straightforward and there has been confusion over what can be counted as an in-kind match. Many sections of the FTA website have information on what is eligible for in-kind matching. A specific in-kind matching page within the FTA website with examples and a contact to answer questions about in-kind matching rules is recommended.

Suggested Research

Respondents to the survey and phone interviews also requested a list of sources of innovative funding as well as financing techniques. Additionally, many of the state DOT representatives were not aware of specific innovative methods used at transit or local planning agencies within their state. Input from transit agencies and local planning agencies about innovative funding and financing methods would be a worthwhile research pursuit.

Most state DOT representatives are not familiar with Transportation Development Credits and do not use them. While, only certain states have toll roads or ferry tolls, therefore limiting their universal use, TDCs are a significant source of matching funds for the states that use them. Three of the states interviewed commented that it was a challenge to set up the tracking and allocating of TDCs within their state. Research into their specific allocation methods and lessons learned would be a worthwhile research pursuit.

CHAPTER 1: Background

The Federal Transit Administration (FTA) has been investing in building capacity and improving the quality of public transportation throughout the United States. Over the last 25 years, the FTA has successfully managed major assistance programs and leveraged state and local funding to revitalize, expand, and enhance the public transportation systems throughout the country. The funds from these assistance programs are distributed through legislatively defined formulas or on a discretionary basis. Generally speaking, roughly 80 percent of the funds are provided by the FTA grant program with the remaining 20 percent non-federal share matched by the states and/or the local agencies. The states and locals strive to take full advantage of the federal funding by providing the entire non-federal share using a variety of allowable sources of funding.

The traditional sources of funding for transit across the states include, but are not limited to, the passenger fares, advertising revenue and other internally generated funds, gas tax, general fund, motor vehicle/rental car sales tax, bond proceeds, user fees, property tax and the general sales tax. The reliability of these traditional sources of funding has been a concern in the last decade. The largest source of revenue from the list above is the gas tax, which is generally levied on a per gallon basis. This is problematic because unless the tax rate is increased or indexed to inflation, due to increase in labor, construction and materials cost over time, the fuel taxes can face eroding purchasing power. This problem is further aggravated by renewed focus and interest in climate change, alternative fuel technology, and improving the fuel economy of automobiles. The general fund receipts, which are predominantly based on income taxes, sales taxes, property taxes, and other tax receipts have suffered recently due to higher unemployment levels, falling property values, and declining consumer expenditure all determined by the performance of the overall economy. At the same time, the transit agencies' needs to rehabilitate and replace the equipment and facilities have continued to grow due to years of underinvestment in capital. Even during good economic times, the funding available from the traditional sources was not sufficient to keep up with the transit capital needs. During lean economic times like today there is added pressure for states and local agencies to scavenge the non-federal share or forego federal funds altogether. In fact, lack of state and local matching funds is cited as a major barrier in the development of new or expanded services in rural areas⁴ as well as of human services transportation⁵.

One alternative to address this problem is to review the innovative financing techniques that allow states to stretch the available match funds and provide greater flexibility to the states and local agencies. Such techniques maximize the states' ability to leverage available capital from federal, state, and local sources and effectively utilize existing funds. The following lists the innovative financing techniques researched:

- Transportation Development Credits (formerly known as Toll Credits)
- Soft match or In-kind
- Higher allowed federal share for certain items

⁴ Rural Transit Achievements: Assessing the Outcomes of Increased Funding For Rural Passenger Services Under SAFETEA-LU, Research Results Digest 93, Transit Cooperative Research Program, September 2009.

⁵ A Review of Human Services Transportation Plans and Grant Programs, Research Results Digest 354; National Highway Cooperative Research Program, July 2011, p.5.

- Vehicles and Facilities
- Sliding Scale
- Budgeting Maintenance or fuel⁶ for reimbursement from funds that would otherwise be restricted to capital
- Use of Purchase of Service
- Capital Cost of Contracting

These options have to be fully leveraged to make use of higher federal contribution, which automatically reduces the non-federal share, thereby marginally reducing the burden on states and local agencies. This research effort aims to identify and describe the innovative financing techniques adopted by the state and local agencies. Such documentation will prove to be beneficial to other states.

⁶ On January 20, 2012, the FTA Administrator outlined in his “Dear Colleague” letter the availability for fuel and power expenses of 2012 formula funds that would otherwise be restricted to capital investments:

Under the provisions of the Appropriations Act, the FTA may treat fuel costs for vehicle operations, including utility costs for the propulsion of vehicles, as a capital maintenance item for grants made in FY 2012 under the Urbanized Area Formula Program. However, the Act also caps the amount that may be used under this new authority by all grantees collectively at \$100 million.

The research in this report preceded the announcement, so no experience with this provision is reported.

CHAPTER 2: Research Approach

The research plan was executed in three tasks. In the first task, an internet survey was conducted to identify the innovative financing techniques used by the states. In the second task, a literature review and follow-up interviews with a select group of states was conducted. In the third task, this report draft was developed as a resource document. During the course of this study, the team determined that the literature review should be conducted in parallel with the internet survey to aid in the development of questions for the internet survey and follow-up phone interviews with selected states. The remaining sections of the report will list the Literature Review before the Internet Survey.

Literature Review

The study team conducted research on the federal grant program policy circulars, and research on relevant published work in the area of transit economics and finance to identify other techniques that should be included. The team used the National Transportation Library/TRIS Online, TRB publications, and relevant websites to identify relevant articles as well as policy circulars for federal grant programs.

These articles were used to determine how innovative financing techniques can be easily applied by the state DOT transit staff without significant policy or legislative changes and to document the description of these techniques in a succinct manner listing all the relevant reference materials so that it serves as a resource document. A complete listing of innovative financing techniques is shown in Appendix A

Respondents to the survey and phone interviews also requested a list of sources of innovative funding as well as financing techniques. While funding sources was not the main focus of this study, the research team has included funding sources in Appendix A in order to be responsive to the requests of the study participants.

Survey of State DOT Practices

One of the goals of this study to identify the states that utilize innovative financing techniques like the transportation development credits (TDC), soft or in-kind match, and higher federal share for certain items. This was accomplished by conducting an internet survey, which was completed by fifteen states. The internet survey was completed by the state DOT staff most knowledgeable of the state and federal transit grant programs. The research team used the contact list provided in the *Survey of State Funding for Public Transportation* report and the state public transit department web-site. Appendix B shows the survey that was completed by the DOT representatives followed by the detailed responses.

The internet survey focused on the following topics determined by the literature review:

- State DOT's familiarity with the following innovative financing techniques (as described in Chapter 3):
 - Transportation Development Credits
 - Soft match or in-kind match
 - Higher allowed federal share for certain items
 - 83 percent Federal match for vehicles and equipment complying with CAA and ADA

- Higher share for bicycle access projects
- Sliding scale match
- Budgeting maintenance as preventative maintenance
- Use of purchase of service
- Capital cost of contracting
- Use of the innovative financing techniques to provide non-federal match
- Other innovative financing techniques used by the state DOT
- Reasons for not using certain or any innovative financing techniques
- Strategies adopted by the states to overcome the decrease or lack of local/state match or to stretch available match funds further

The states that use “other” innovative financing techniques were asked about their willingness to participate in a follow-up telephone interview.

Follow-up with States

The intent of the research team was to contact up to five states that use “other” innovative financing techniques as well as up to five states that identified effective strategies to overcome the increase/decrease of local/state match or to stretch available match funds further. Based on the responses of the internet survey, it was clear that some states use both “other” innovative financing techniques as well as strategies to overcome the increase/decrease in local/state match. Because of this, the research team contacted the five states who: use both techniques, were willing to participate in a phone interview, and thought their state would provide an interesting case study. The team also took care to ensure geographic and demographic diversity in its selection of states. Detailed phone interviews were conducted with the following states:

- California
- Iowa
- New Hampshire
- Oregon
- Texas

The description of “other” innovative financing techniques used, experience of the state with using these methods during lean economic times, special policy or legislation that enabled the use of these methods, challenges faced while implementing these methods, and background resource materials explaining the program were discussed and documented.

Additionally, the effective strategies to overcome the increase/decrease of local/state match or to stretch available match funds further were discussed and documented. The common strategies adopted by the state were documented along with the associated pros and cons.

CHAPTER 3: Research Findings

Literature Review

The literature review focused on FTA Policy Circulars and articles that identify and discuss innovative financing techniques. The articles were used to determine how innovative financing techniques can be easily applied by the state DOT transit staff without significant policy or legislative changes and to document the description of these techniques in a succinct manner listing all the relevant reference materials so that it serves as a resource document. This section will focus on the most promising innovative financing techniques. A complete list of innovative financing techniques as well as sources of additional funding is shown in Appendix A. Respondents to the survey and phone interviews also requested a list of sources of innovative funding as well as financing techniques. While funding sources was not the main focus of this study, the research team briefly researched and has included funding sources in Appendix A in order to be responsive to the requests of the study participants.

- Transportation Development Credits (formerly known as Toll Credits) - Use of Transportation Development Credits - Under the toll credit technique (codified by Section 1111 of TEA-21), a state is permitted to use certain toll revenues as a credit toward the non-federal matching share of programs authorized under Title 23 U.S.C. (except for the emergency relief program) and for transit programs authorized by Chapter 53 of Title 49. The amount of credit toward local share to be earned by a state, is based on revenue generated by toll authorities within the state that are used by the authorities to build, improve, or maintain highways, bridges, or tunnels that serve interstate commerce. The state has four fiscal years to use the credit.
- Soft match or In-kind match – Refers to donations, volunteer efforts, and in-kind contributions to a grant project. One of the most productive sources of in-kind match is real estate; many agencies own real estate that was acquired without Federal funding and are trying to improve (add facilities to) that real estate with federal funds; the market value of the real estate can often more than provide the total local match for the project. Street closures and certain rights of way may also provide highly valued local match opportunities. Carefully and fully accounting for staff costs involved in a project and the use of federally approved cost allocation plans to capture overhead expense are other methods of increasing in-kind local match.
- Higher allowed federal share for certain items
 - Vehicles and Facilities - Generally speaking, the federal and non-federal matching shares for eligible capital projects are 80 percent and 20 percent respectively and for operating expenses are 50 percent and 50 percent respectively. The use of federal transit grants for capital expenses naturally lends to higher federal share than using them for operations. Also, within the capital grants there are exceptions that trigger marginally higher federal share than the standard 80 percent. The Federal share is 90 percent for the cost of vehicle-related equipment or facilities attributable to compliance with the ADA or CAA. Also, the Federal share is 90 percent for those bicycle access projects or portions of bicycle access projects designed to provide access for bicycles to public transportation facilities, provide shelters and parking facilities for bicycles in or around the public transportation facilities, or install equipment for transporting bicycles on public transportation

vehicles. In addition, in Section 5307 (Urbanized Area Formula Program) grant, if the project involves bicycle access to transit and the access is made with the funds required to be expended as a “transit enhancement”, the federal share is 95 percent.

- Sliding Scale Match - The Section 5310 (Transportation for Elderly Person and Persons with Disabilities) and 5311 (Formula Grants for Other than Urbanized Areas) grant programs allow for a sliding scale match, which results in higher federal shares for fourteen states based on the ratio of designated public land area to the total area of these states. For Nevada the sliding scale rate for transit capital grants is 94.89 percent and for California the rate is 83.57 percent. Similarly, a different and potentially higher sliding scale rates may be available for certain states based on the ratio of area of nontaxable Indian land, public domain lands, national forest, and national parks and monuments to the total area of each state.
- Budgeting Maintenance as Preventative Maintenance – Includes maintenance costs related to vehicles and facilities so that they are eligible for capital assistance, which triggers a higher federal share.
- Use of Purchase of Service – An agreement or a contract to obtain service from a private vendor.
- Capital Cost of Contracting – When a private vendor provides transit service or maintenance service or vehicles that will be used in transit service, FTA provides assistance with the capital consumed during the course of the contract. The concept of assisting with the capital consumed is referred to as the Capital Cost of Contracting.
- Interagency coordination of over-match – the state can play a crucial role in identifying cases where, through interlocal agreements, an agency that lacks local match for available federal funding can permit the use of that funding by another agency, and can utilize non-federal funds provided in return to increase its funding capacity.

Survey Results

The internet survey was completed by 36 individuals representing 15 states. The analysis of the survey results revealed the most highly used and unused techniques across all the states that responded to the survey. The analysis also focused on the reasons why certain techniques are heavily used by the states. These success stories are critical to document because the lessons learned from one state can be applied to other states. Delving into the reasons for not using certain techniques helps to identify any low-hanging fruit that can be taken advantage of sooner than the other options. The most important findings are listed in this section. Appendix B shows the detailed state survey results.

Local Match

Most state representatives responded that their state has the most difficulty acquiring local matching funds for Sections 5310 (Transportation for Elderly Person and Persons with Disabilities), 5316 (Job Access and Reverse Commute Program), and 5317 (New Freedom Program).

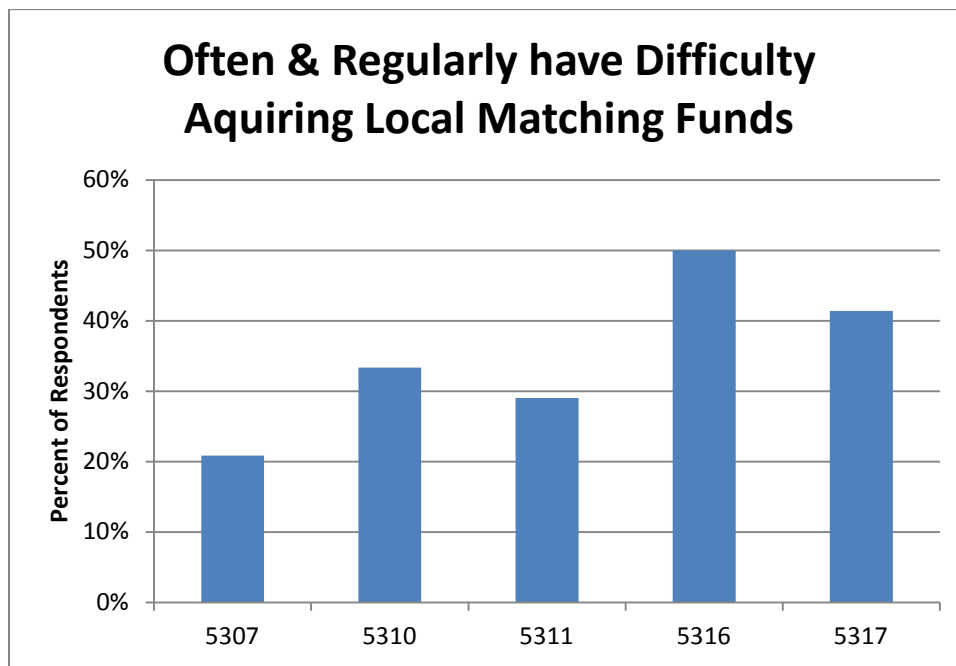


Figure 1: Percent of Respondents that Difficulty Acquiring Local Matching Funds

The following table shows the list of the innovative techniques used by each state, the percentage of respondents that say their state uses these techniques, and if the state doesn't use a particular technique, the most cited reason for not doing so.

Table 1: Summary of Techniques and their Uses

| Technique | % of Respondents Say their State Uses this Technique | Most Cited Reason for not Using |
|---|---|--|
| Using 5307* Formula Funds for Maintenance | 45% | Funds are received directly by MPOs, and that the MPOs use this technique |
| Soft or In-Kind Match – Staff | 62% | Funds are fully utilized therefore there is no advantage. |
| Soft or In-Kind Match – Land | 53% | |
| Soft or In-Kind Match – Other | 53% | |
| Higher Federal Share – CAA or ADA | 44% | Unfamiliar with technique or available funds are fully utilized, therefore no advantage. |
| Higher Federal Share – Bicycle | 12% | Unfamiliar with technique |
| Higher Federal Share – Sliding Scale | 60% (of states that qualify) | Administrative burden |
| Transportation Development Credits | 24% | Unfamiliar with technique and lack of eligible tolls in their state. |
| Using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service | 44% | Unfamiliar with the technique and that the 5307 funds are received directly by MPOs. |
| Interagency Coordination of Overmatch | 13% | Unfamiliar with technique |

*Urbanized Area Formula Program

Using 5307 Formula Funds for Maintenance

Most state DOT representatives are familiar with and many use 5307 Formula Funds for Maintenance. Those that use this technique think that the benefits are worth the administrative effort. States that said they did not use this technique say the funds are received directly by MPOs, and that the MPOs use this technique.

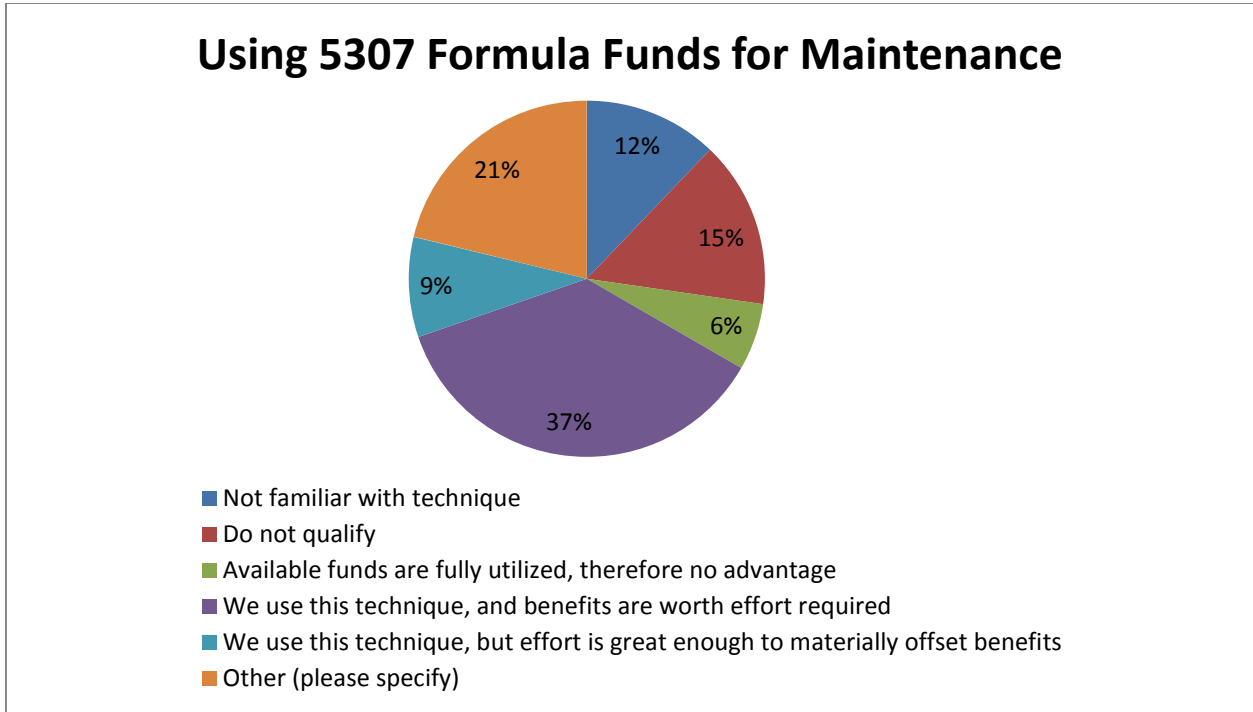


Figure 2: Using 5307 Formula Funds for Maintenance

Soft or In-Kind Match

Most state DOT representatives are familiar with and use the soft or in-kind matching technique for staff, land or other as shown in Figure 3.

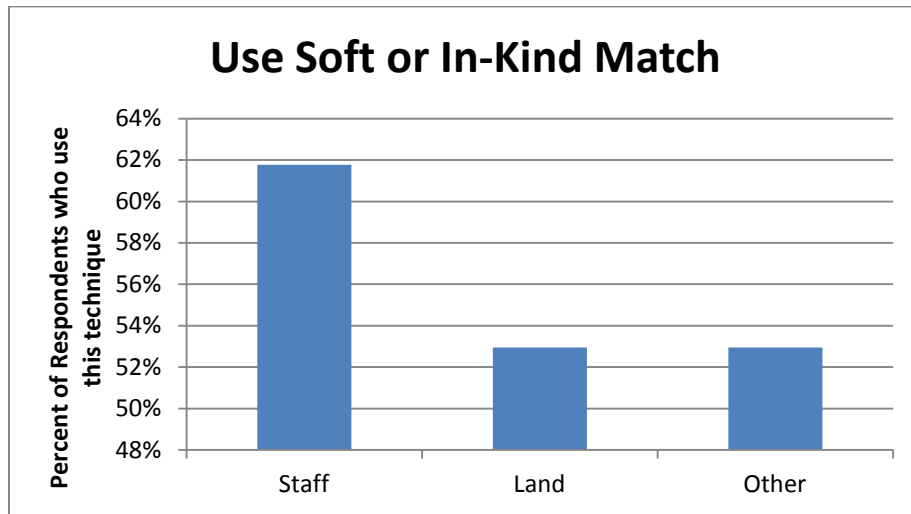


Figure 3: Percent of Respondents who use Soft or In-Kind Match

Those that use this technique find that the benefits are worth the administrative costs. Those that do not use this technique cite that available funds are fully utilized therefore there is no advantage and also that the FTA's rules for utilizing this technique are not straightforward and there has been confusion over what can be counted as an in-kind match.

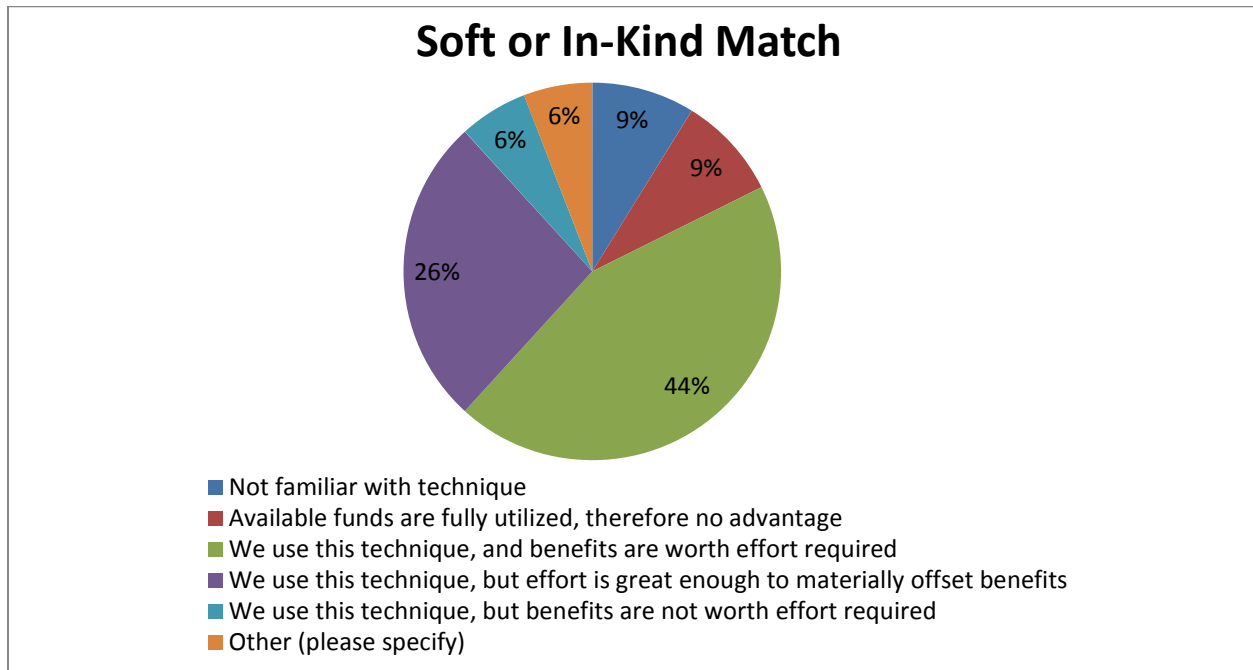


Figure 4: Soft or In-Kind Match

Higher Federal Share Available

Most state DOT representatives are familiar with higher federal share availability for CAA and ADA projects and sliding scale (those that are eligible). Representatives were less aware of higher federal share availability for bicycle projects. Most states did not use the higher federal share availability for CAA and ADA because they were not familiar with them or available funds are fully utilized, therefore no advantage.

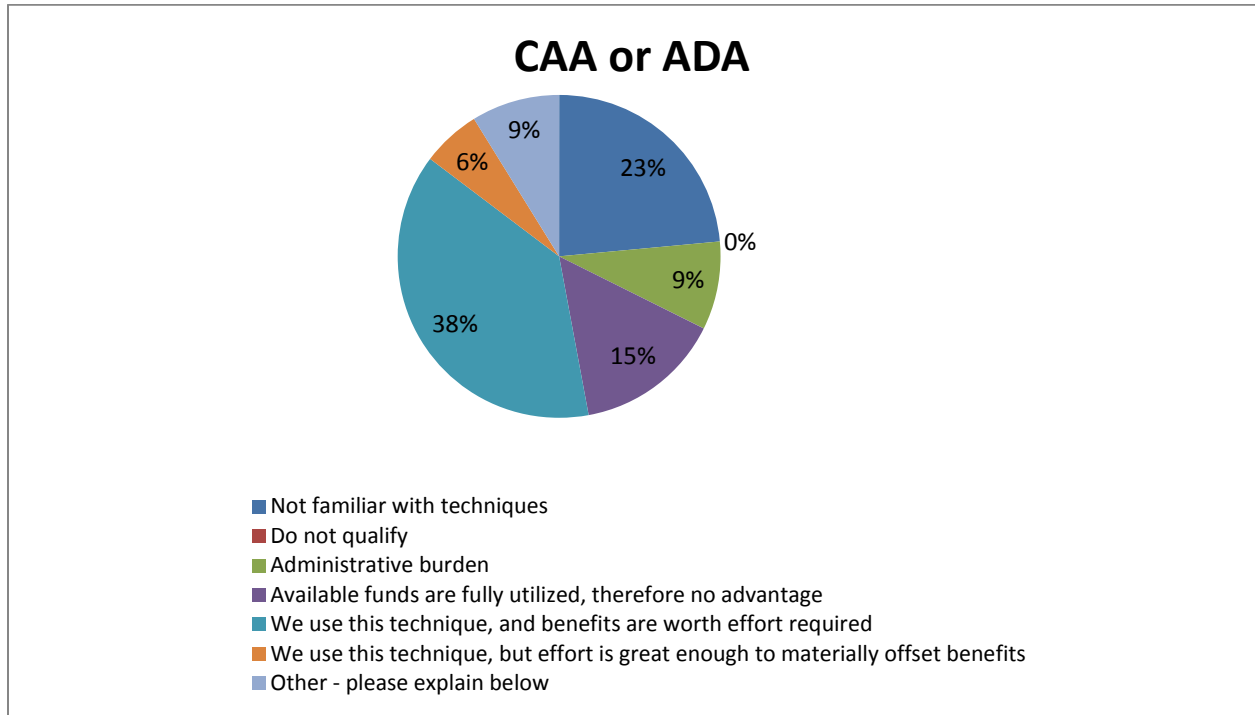


Figure 5: Use of CAA or ADA Responses

Most states did not use the higher federal share availability for bicycle projects because they were unfamiliar with this technique.

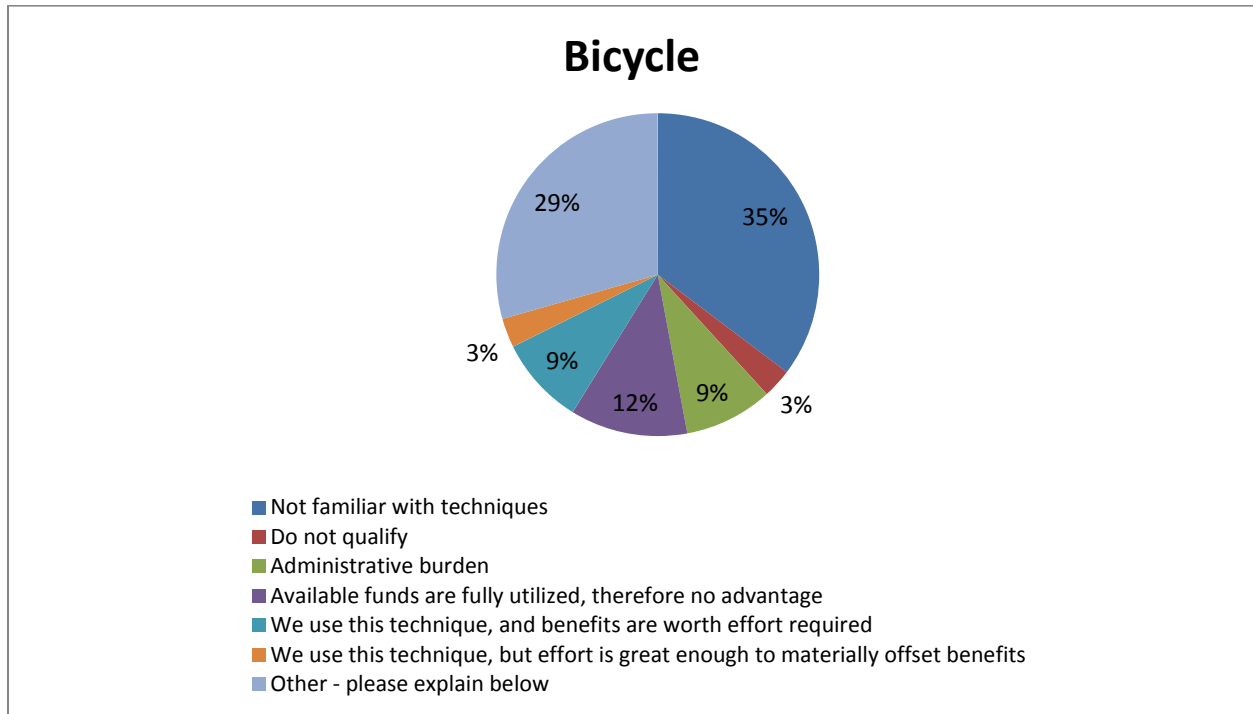


Figure 6: Use of Bicycle Projects Responses

The states that are eligible for the sliding scale mostly use this technique and find that the benefits are worth the administrative burden.

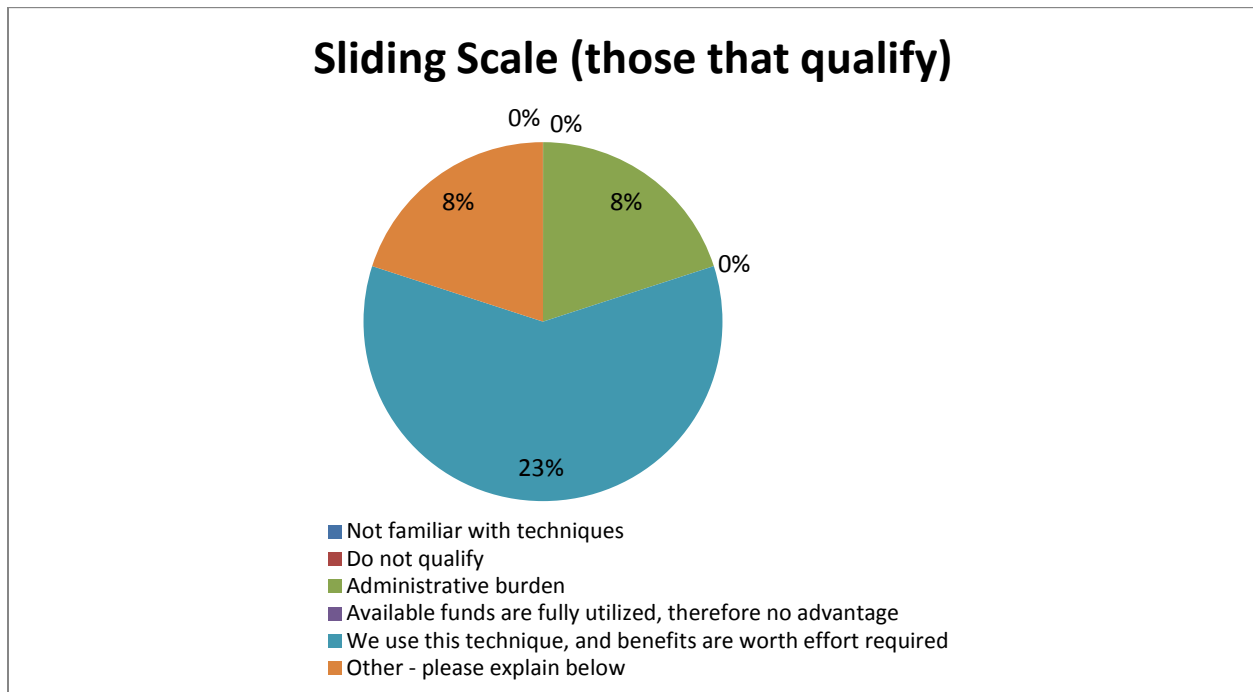


Figure 7: Use of Sliding Scale Responses

Transportation Development Credits

Most state DOT representatives are not familiar with Transportation Development Credits and do not use them. The states that are using TDCs generally find them to be worth the administrative efforts required. The states that do not use TDCs state unfamiliarity and lack of toll roads in their state as their reasons for not doing so.

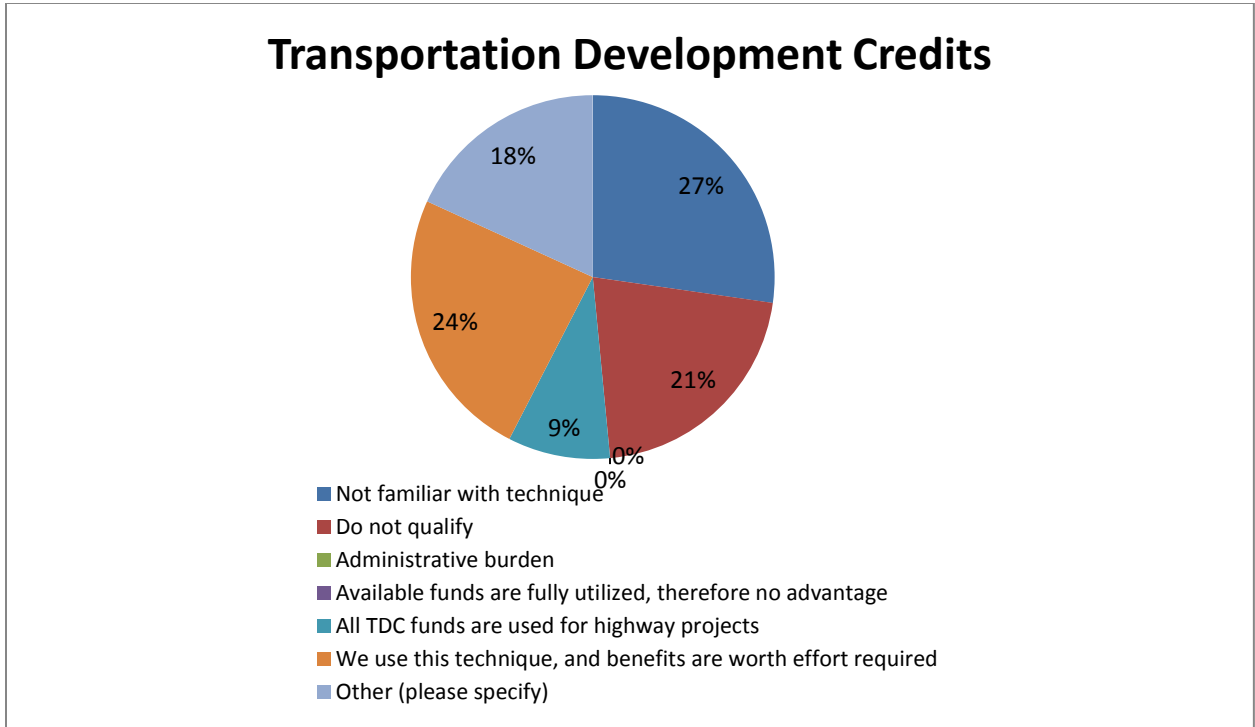


Figure 8: Use of Transportation Development Credits Responses

Use of 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service

Most state DOT representatives are familiar with the technique of using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service, and that their state uses this technique and that the benefits are worth the administrative effort. States that do not use this technique say they are unfamiliar with the technique and that the 5307 funds are received directly by MPOs.

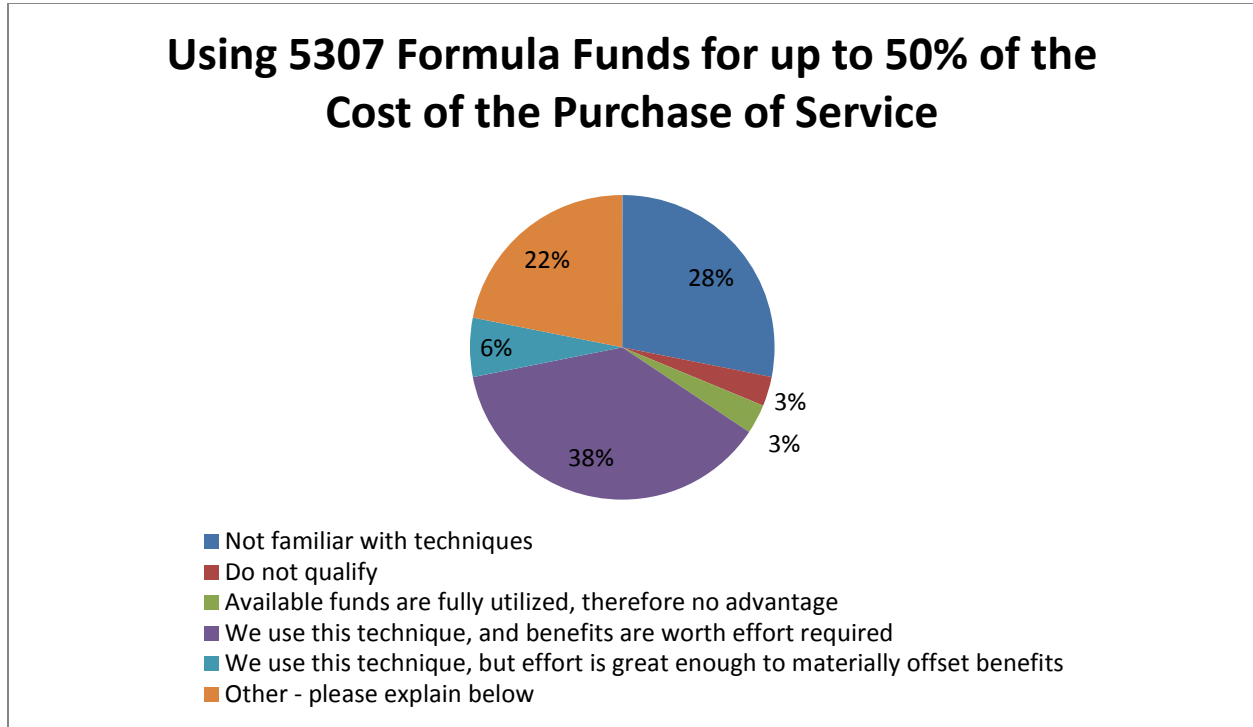


Figure 9: Use of 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service Responses

Interagency Coordination of Over-Match

Most state DOT representatives are not familiar with Interagency Coordination of Over-Match and do not use this technique. The states that are using this technique generally find it to be worth the administrative efforts required, but the effort is great enough to materially offset the benefits. The states that do not use this technique state unfamiliarity as their reason.

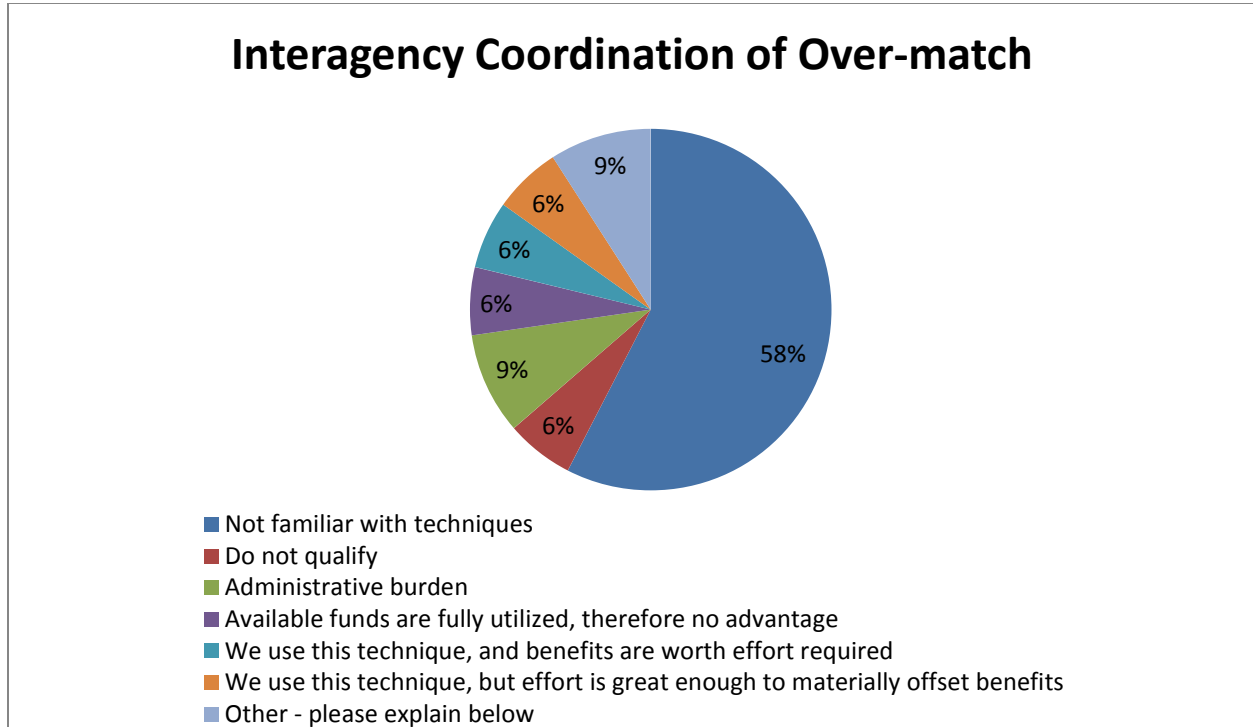


Figure 10: Use of Interagency Coordination of Over-match Responses

Other funding and/or financing techniques that were provided by the state DOT representatives include:

- Local dedicated taxes such as transportation sales taxes for capital improvements and/or operations (MO)
- Providing Federal Highway Administration (FHWA) funds to Section 5307 Direct Recipients ADA expenses, vehicle purchases, alternative fuel, construction and other eligible projects (OH)
- Capital cost of contracting (TX)
- Temporary Assistance for Needy Families (TANF) and Indian Reservation Road (IRR) funds to provide matching funds (OR)
- State Infrastructure Banks (TX)
- Local Mobility Banks (TX)

Follow-Up with Select States

The research team contacted five states who: use both “other” innovative financing techniques and strategies to overcome the increase/decrease of local/state match to stretch available match funds further, were willing to participate in a phone interview, and thought their state would provide an interesting case study. Detailed phone interviews were conducted with California, Iowa, New Hampshire, Oregon and Texas. This section will focus on the most important findings from these interviews. Contact information for representatives in these states can be found in the References section.

Table 2: Main Findings from Select States

| State | Financing Techniques Used | Other Techniques |
|---------------|---|--|
| California | Use of 5307 for preventative maintenance (PM), In-kind matching, 5307 Purchase of Service, Interagency Overmatch, Sliding Scale, 5311(f) Pilot Program, Joint Procurement, TDC | Counties put measures on their ballot to tax themselves for specific projects |
| Iowa | Use of 5307 for PM, In-kind matching, Higher Federal Share, 5307 Purchase of Service, Interagency Overmatch | GO Bonds, local tax |
| New Hampshire | Use of 5307 for PM, In-kind matching, Purchase of Service, Higher Federal Share, TDC | Local funding appeals for donation |
| Oregon | Use of 5307 for PM, In-kind matching, Higher Federal Share, 5307 Purchase of Service, Interagency Overmatch, Sliding Scale, Indian Reservation Road fund, Extensive Human Services Coordination | Congestion Mitigation and Air Quality Improvement Program (CMAQ, cigarette tax and ID fees |
| Texas | Use of 5307 for PM, In-kind matching, TDC, Extensive Human Services Coordination | Local tax |

California

The research team conducted an interview with Kimberly Gayle, Office Chief of Federal Transit Grants Programs within the Division of Mass Transportation at California DOT about California's experience with providing match to federal funds and the use of innovative financing methods that have allowed California to stretch their federal funds further.

Agencies in California have had difficulty providing the local match for federal funds, but so far no federal funds have lapsed. However, the DOT representative noted that without the implementation of Transportation Development Credits (TDCs) (described below) for transit, some funds might have been at risk.

California uses in-kind matching for many projects. Under a pilot program, the FTA allowed funds used by a private carrier such as Greyhound on a mainline service to be applied as an in-kind match for the 5311(f) Intercity Bus Program. The state DOT can use Greyhound capital costs as a match for operating costs as long as the DOT isn't subsidizing Greyhound's operating costs. Additionally, agencies who are funded from non-federal fund sources can allocate their time for planning, marketing, and other administrative functions as match for federally funded projects. California has not used land as in-kind match because issues with valuation are very labor intensive and they do not have the technical expertise to manage these issues.

California uses the sliding scale rate for 5310 and 5311 at 88.53% for the federal capital share. The state does not use the 90% federal share for bicycle projects because, among other reasons, the record keeping system is not able to differentiate between different match requirements for the same types of projects.

Many agencies in California used the American Recovery and Reinvestment Act money to buy buses. These agencies looked at their entire fleet to determine which buses were needed in urban areas (5307 funds) and which were for rural (5311 funds) service. The DOT allowed them to issue a joint procurement, but used the specific funding source for the actual funding of the bus. Coordinating and maximizing federal funds that way saved on administrative costs, generally about 10% of project costs, because staff only managed one RFP and procurement instead of two. In addition, agencies doing a joint procurement can use 5311 administrative funding which is 100% federally funded to administer the joint RFPs.

California recently began using toll credits for transit projects. The state has been compiling credits for many years and there was a substantial amount, approximately \$5.7 billion, of toll credits available. The State DOT representative lobbied within CalTrans and FTA to use toll credits for transit. This was a major undertaking of record keeping because there was no procedure in place to track the funds for transit projects. The DOT representative, in a partnership with MPOs, worked through the Transportation Improvement Program process to get projects programmed and to track each dollar amount that will use tolls.

The California representatives also commented on other sources of funding in their state including the ability for counties to put measures on their ballot to tax themselves for specific projects. The DOT representative inquired into what other non-traditional fund sources including sales tax and special fees on ballots that local entities in other states charge themselves to increase funding opportunities.

Iowa

The research team conducted an interview with Brad Miller, General Manager at Des Moines Area Regional Transit Authority (DART) and Pamela Lee, Transit Programs Manager in the Office of Public Transit at Iowa DOT about Iowa's experience with providing match to federal funds and the use of innovative financing methods that have allowed Iowa to stretch their federal funds further.

The number one problem DART faces is the pressure to make local dollars go as far as they can to fund operations. Match money comes out of the operating budget which has been hit by the economy, so it is generally difficult for the transit system to meet the matching requirements. They, along with most of the systems in Iowa and the United States convert as much capital funding to operating, leaving very little money for capital which is not a sustainable long-term practice. To become more sustainable, DART set a policy standard that they will not use more than 2/3 of their total allotment for operating expenses; they will leave a minimum of 1/3 of their allotment for capital and increase the ratio to 40% over a period of 2 years. The DOT reports that their sub-recipients have difficulty acquiring matching funds for operating as well.

DART is a direct recipient of FTA funding. The rest of the funding for transit in the state flows through the DOT. DART takes advantage of the allowance of the use of capital dollars for preventative maintenance (PM). They also use in-kind locally funded labor that is associated with hourly maintenance employees. Sometimes grants administered by the DOT, where land is used as part of the match, list the appraised value of the land for in-kind match. One problem surrounding local match reported by the representatives was a debate with FTA over an inappropriate matching method. DART wanted to take out a bank loan to pay for some one-time operating expenses because of the economic drop. They took out a loan with a local bank in Des Moines and developed a mortgage like agreement with the loan backed by the value of the transit facility. This agreement was not acceptable because the facility is partly federally funded and they are precluded from using federally funded assets for operating funding. They had to restructure the loan so that it was no longer backed by the value of the facility. Now they use General Obligation bonds backed by the property tax stream instead of federal dollars.

The DOT does not utilize interagency overmatch that they are aware of. In some cases the Department of Human Services might provide part of the local match for a New Freedom project. Iowa can use some of the state transit assistance funds to match any federal project. These funds are appropriated by the legislature in Iowa, and equivalent to 4% of the use tax on motor vehicles.

The Iowa representatives also commented on other sources of funding in their state. Many small urban/non-urban systems use a local tax. The Des Moines local funding source is a local property tax that the transit agency levies to pay for all of its operating deficits plus the match for capital grants. In tough economic times, when local property tax revenue is not increasing, they need other sources, like state funds or land value.

New Hampshire

The research team conducted an interview with Christopher “Kit” Morgan, Administrator of the Rail and Transit Division at New Hampshire DOT about New Hampshire’s experience with providing match to federal funds and the use of innovative financing methods that have allowed New Hampshire to stretch their federal funds further.

New Hampshire has not had any federal funds lapse; however, transit systems (urban and rural) that don’t get their money through the state have not been able to expand their operations to meet demand because of a lack of matching funds. Some systems haven’t been able to compete for capital money because they don’t have matching funds. And many systems have to borrow capital matching funds, which becomes an operating expense to pay back later.

New Hampshire finds there is a real challenge getting clear guidance from FTA on the eligibility and calculation guidelines for in-kind matching funds. Several small recipients use donated office space, equipment, and time for in-kind matching funds. They do not use land for in-kind matching funds because they do not have that many construction projects, and they do not have much land that the state already owns. Some projects would not have been possible without in-kind matching, and they have been able to get some small expansions of service as a result in rural areas where there isn’t any local cash match available.

The state DOT is starting a purchase of service program with highway money that was transferred to the 5310 program at the request of the Rail and Transit Administrator. The Regional Coordination Program allowed each region to designate a lead agency to apply for purchase of service funds and come up with their own strategy on how to use them. The state DOT allocates money by population and the regional council decides the areas that need improvements and what agencies could provide it. The regional council gives the state DOT one application for their region with the different components. Some regions have used agency vehicles and purchased hours. Rural areas have used volunteer transportation. The regional lead agencies made a huge difference with this effort in the processing of applications.

Transportation Development Credits are a fairly recent development in New Hampshire. The state has a turnpike system and has toll credits available for highway projects. They have started to use these credits for transit projects in the last year for capital and operating projects that are managed by the state, but have not started using the credits for local projects yet. They have 3-4 projects now using toll credits. So far, the available toll credits are in excess of either the highway or the transit programs so there has not been difficulty using the funds for transit. Highway investments with toll proceeds continue and the state DOT had to work with the FHWA division office because they are responsible for tracking the available credits.

Because the transit systems depend on local funding, it has been more difficult to raise local matching funds from property taxes. Some transit agencies end up competing with all the other demands on local tax payers. A lot of small systems and non-profits are not considered part of the local government and are lumped in with other social services which are at jeopardy during across the board cuts. Some regional systems have to go to each town for support, and they might get the full amount from two towns, but not other towns. A couple of non-profits have done local funding appeals with mailings and have donation links on their website for a capital campaign.

Oregon

The research team conducted an interview with Dinah Van Der Hyde, Senior Policy Analyst, Public Transit Division at Oregon DOT about Oregon's experience with providing match to federal funds and the use of innovative financing methods that have allowed Oregon to stretch their federal funds further.

Oregon has benefitted from strong support from the legislature and transportation commission in the last two biennial legislative sessions and support from lottery backed bonding for the development of street car and light rail systems, but the local and state revenues have been in jeopardy. Oregon has great assets in capital, infrastructure, and vehicles, but little operating funding. Their bigger systems are pulling back 10-15% of their service. Small services are also pulling back because they can't afford to run them. Gas prices are up and local support is drying up. Costs are increasing and match funding is going down. They have the demand and the capacity, but the operating funding is constraining the service in the system.

Occasionally sub-recipients in Oregon aren't able to utilize all of their federal funds due to lack of local matching funds, and by the end of project period they can't draw down their money. The state has had several projects drop out of 5317 and 5310, so they try to reallocate the remaining funds to another agency using a formulaic approach. Oregon had a substantial amount of state money to use for local match, but the balance has changed from 50% federal and 50% state to 25-30% state to a much larger percent of federal funds. State money for transportation (primarily dedicated to elderly and disabilities transportation) comes from cigarette taxes, ID card fees, non-highway use gas tax. Legislation in 1985 set up a fund to mandate programs dedicated by population with small amount of discretion. The funds are distributed on a formulaic basis and most is used for match.

The 5316 and 5317 programs are not on the sliding scale and they have a problem granting this money. The program aims itself at non-profit agencies that have a very difficult time providing match. They state has a much better time with integrating 5316 with 5311 and 5307. 5316 and 5317 are set up with a rural share and a small urban share that limits how they can spend the money. It's administratively cumbersome to manage the money because of the way the program is set up with the rules and complexities that aren't in proportion to the amount of funding

Staff time in Oregon is a cash match. Their agencies use in-kind volunteers and use a documentation procedure to report in-kind matching funds on a quarterly basis. Using in-kind match for land is more formalized because the valuation has to be documented and the FTA is rigorous about rights-of-way and agreements. The State DOT contributed a substantial amount of property along the freeway for a transit property.

Oregon DOT encourages applications for using 5307 funds for purchase service and preventative maintenance. Urban systems have shared their knowledge about how to use those match ratios. They were one of the very first states to use purchase service and transferred many projects to 5310 to take advantage of the sliding scale rates.

Oregon also takes advantage of Indian Reservation Road (IRR) funds, a category of funds that come to the Bureau of Indian Affairs (BIA) Umatilla tribes. Each Indian tribe that has roads gets a certain amount of money relating to their road system. They have more latitude to use those funds than the DOT. The Umatilla tribe looked at how to leverage the IRR funds, and the service that they're providing is quite broad, covering several hundred miles of routes.

Oregon does not use the higher federal share for CAA/ADA/Bicycle routinely. Tri-Met has used the higher share for bicycle projects because they deal with federal rules all the time. People working on bicycle projects in the state find the Federal rules too burdensome. The state DOT assumes that as they get more experience, they will start using the bicycle share more often. Oregon uses the ADA 90% higher federal share for the 5307 program, but they don't use it for the 5311 program because the documentation required is prohibitive related to the amount of money actually spent.

One rural area in Oregon has used CMAQ money, but the projects must eventually be transferred to 5310 or 5311 which is difficult logistically. CMAQ money has also been used to develop a fleet of compressed natural gas vehicles, and to help fund Tri Met light rail, vanpool, and ride share programs.

Oregon was ahead of the federal coordination process for the senior and disabled transportation programs. They had a lead agency for each region before the coordinated plan was required. Each county/geographic entity/ transit district is legislatively designated with a lead agency making the implementation of that program very clean. They developed processes to make the 5310 funding flow to the lead agencies so that the grass roots decisions are empowered. They allocate the majority of funds to the areas by formula and the areas tell the DOT how they would like to use the money based on their coordinated plan. They do not have an open competitive statewide 5310 grant program, which they believe is cost effective because the local agencies are required to set their own priorities and determine their sources of local match. There is an open statewide competitive program for 5316 and 5317 because the amount of funding is relatively small.

Texas

The research team conducted an interview with Bobby Killebrew, Deputy Director of the Public Transportation Division at Texas DOT about Texas' experience with providing match to federal funds and the use of innovative financing methods that have allowed Texas to stretch their federal funds further.

Texas has a state grant program with approximately \$50 million to be used for federal matching funds, but this is still not always enough. Federal funding has not lapsed in Texas, but it is getting more difficult to find matching funding. Texas can swap federal and local match funds on a case-by-case basis, but this is difficult because of the competitive nature of the grants. In the 5307 program, they have some systems that, because of local economies, can't take their full federal share and the DOT can send the unused share to other systems. Some areas in Texas have also set up taxing districts and utility districts with local tax revenue for 5311 matching funds.

Texas uses in-kind matching for staff time and land. Many agencies are affiliated with a city or a county and they get some of the services, accounting, auditing, IT, free of charge (i.e., without contributing transit revenue) and use those services as in-kind staff time. The DOT uses staff time to match MPO grants. The DOT finds in-kind matching beneficial because it is not costing agencies any money, and the agencies do not have to go to their boards or city councils to get something passed or go through a lot of hoops with special reporting.

Texas uses Transportation Development Credits (TDCs) for transit projects, but they had to set up the system and bank account with the FHWA. They also have to depend on the toll authorities to provide data in order to calculate their expected revenues, and the toll authorities have no incentive to provide this data creating a difficult relationship at times. They also didn't have a mechanism in place at the DOT on how to allocate TDCs between highways and transit. Currently they have one bank account and require 75% of funds to be allocated to the area in which it was earned. There is a call for competitive projects that are endorsed by the local MPO. If there are no projects in the region where the tolls were earned, the funds become discretionary statewide. The remaining 25% of the funds are awarded at the discretion of the committee, which is currently transit friendly. Systems are becoming more dependent on the innovative methods discussed in this report for regular operation. Texas is at the point that if Transportation Development Credits are not available for match, about half of their projects in the 5310 program would drop out because they don't have the local revenue sources. The DOT representative tries to help diversify systems' revenues by encouraging selling advertising and asking for city council general revenue.

There were several states that wanted to do a State Infrastructure Bank (SIB) and received seed money, including Texas. Locally, Texas set up the basis for the SIB. The DOT is the board of directors of the SIB and can set the interest rate and payment schedule and can be forgiving if necessary. This same system would require appropriation for transit. The legislation is there, but they have never had any funds to capitalize the transit portion. The states receive special federal appropriations to capitalize the SIB on the highway side, but FTA never provided any money to help capitalize the transit portion. Rural transit agencies, which likely need the assistance of an SIB aren't interested in them because the loans must be paid back. Texas also has local mobility banks. If a system put 100% local money into the bank, it could be used with federal money by another system, but that would require a federal agreement.

The Coordinated Human Services Plan that includes 5310, 5316, and 5317 is a consensus building process between the transit operator and health and human service agencies. Instead of transit agencies applying for the grants, the health and human service agencies apply for the grants, provide the match and buy the service from the transit agency. These partnerships are allowing operators and those who need transit service to be creative in how projects are selected and funded. For example, if the workforce development board needs transportation for its clients, the project is presented to the board with a grant, which it has to match; and then the board buys rides from the local transit provider. The local transit provider has a revenue stream and does not have to match the grant.

SECTION 4: Conclusions, Recommendations, and Suggested Research

Conclusions

Most state representatives responded that their state has the most difficulty acquiring local matching funds for Section 5310, 5316, and 5317 programs. Federal Transit Law, as amended by SAFETEA-LU, requires that projects selected for funding under each of these three programs be derived from a locally developed, coordinated public transit-human services transportation plan and that the plan be developed through a process that includes representatives of public, private, and non-profit transportation and human services providers and participation by members of the public. These plans identify the transportation needs of individuals with disabilities, older adults, and people with low incomes, provide strategies for meeting these needs, and prioritize transportation services for funding and implementation. Two of the states contacted for interviews (Texas and Oregon) responded that creative coordination under these programs has increased the success of acquiring local matching funds.⁷

The techniques used for overcoming difficulties with acquiring local matching funds for the other federal grant programs are relatively well known and utilized.

- Most state DOT representatives are familiar with and many use 5307 Formula Funds for Maintenance. Those that use this technique think that the benefits are worth the administrative effort. States that said they did not use this technique say the funds are received directly by MPOs, and that the MPOs use this technique.
- Most state DOT representatives are familiar with and use the soft or in-kind matching technique for staff, land or other. Those that use this technique find that the benefits are worth the administrative costs. Those that do not use this technique cite that available funds are fully utilized therefore there is no advantage and also that the FTA's rules for utilizing this technique are not straightforward and there has been confusion over what can be counted as an in-kind match.
- Most state DOT representatives are familiar with higher federal share availability for CAA and ADA projects and sliding scale (those that are eligible). Representatives were less aware of higher federal share availability for bicycle projects. Most states that did not use the higher federal share availability for CAA and ADA cited that they did not use them because they were not familiar with them or available funds are fully utilized, therefore there was no advantage. The states that are eligible for the sliding scale mostly use this technique and find that the benefits are worth the administrative burden.
- Most state DOT representatives are not familiar with Transportation Development Credits and do not use them. The states that are using TDCs generally find them to be worth the administrative efforts required. The states that do not use TDCs state unfamiliarity and lack of toll roads in their state.
- Most state DOT representatives are familiar with the technique of using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service, and that their state uses this technique and that the benefits are worth the administrative effort. States that do not use

⁷ For a specific review of the coordination planning process, see *A Review of Human Services Transportation Plans and Grant Programs, Research Results Digest 354*; National Highway Cooperative Research Program, July 2011

this technique say they are unfamiliar with the technique and that the 5307 funds are received directly by MPOs.

- Most state DOT representatives are not familiar with Interagency Coordination of Over-Match and do not use this technique. The states that are using this technique generally find it to be worth the administrative effort required, but the effort is great enough to materially offset the benefits. The states that do not use this technique state unfamiliarity as their reason.

Recommendations

Most state representatives responded that their state has the most difficulty acquiring local matching funds for Section 5310, 5316, and 5317 programs. Creative coordination with human services agencies, (as described in the interviews with Oregon and Texas) to take advantage of other sources of local funding is recommended.

Joint procurements facilitated by the state DOT for vehicles in urban and rural areas (as described in the interview with California) to minimize the administrative costs of procurements are recommended. Purchase of service programs (as described in the interview with New Hampshire) that allocate funding to a regional council to distribute based on their local needs are recommended.

Some states commented that the FTA's rules for utilizing the in-kind matching technique are not straightforward and there has been confusion over what can be counted as an in-kind match. Many sections of the FTA website have information on what is eligible for in-kind matching. A specific in-kind matching page within the FTA website with examples and a source to answer questions about in-kind matching rules is recommended.

Suggested Research

This research effort focused on the innovative financing techniques used to stretch available federal funds further. Many of the state representatives interviewed were also interested in the ways other states are acquiring local funding for transit projects. Some of the listed sources are dedicated local or state taxes, CMAQ funds, and bonds against local taxes. The research team briefly researched innovative funding and has included funding sources in Appendix A in order to be responsive to the requests of the study participants. In-depth research on this topic at the state and local level would be a worthwhile research pursuit.

Many of the state DOT representatives were not aware of specific innovative methods used at transit agencies or local planning agencies within their state. While one state (Iowa) forwarded the survey request to the largest transit agency in their state (Des Moines Area Rapid Transit), and therefore their input into innovative methods used is included in this study, input from other transit agencies and local planning agencies about innovative funding and financing methods would be a worthwhile research pursuit.

Most state DOT representatives are not familiar with Transportation Development Credits and do not use them. While, only certain states have toll revenue sources, therefore limiting their universal use, TDCs are a significant source of matching funds for the states that use them. Three of the states interviewed commented that it was a challenge to set up the tracking and allocating of TDCs within their state. Research into their methods and lessons learned would be a worthwhile research pursuit.

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4. "Grant Programs." Federal Transit Administration. Web. 13 Apr. 2011. <http://www.fta.dot.gov/funding/grants_financing_263.html>.

Table 3: State DOT Representative Contacted

| State DOT | Contact Person | Phone Number | Email |
|----------------------|--------------------|--------------|--|
| Alabama | Joe Nix | 334-353-6421 | nixj@dot.state.al.us |
| Alaska | Debbi Howard | 907-465-2883 | debbi.howard@alaska.gov |
| Arizona | Sam Chavez | 602-712-7465 | Schavez@azdot.gov |
| Arkansas | James Newcomb | 501-569-2475 | Mickey.newcomb@arkansashighways.com |
| California | Kimberly Gayle | 916-654-8074 | 29irginia.gayle@dot.ca.gov |
| Colorado | Tom Mauser | 303-757-9771 | Tom.mauser@dot.state.co.us |
| Connecticut | Raymond Godcher | 860-594-2805 | Raymond.Godcher@ct.gov |
| Delaware | Stephanie Burris | 302-760-2860 | 29irginia29.burris@state.de.us |
| District of Columbia | Lezlie Rupert | 202-671-1595 | lezlie.rupert@dc.gov |
| Florida | Elizabeth Stutts | 850-414-4530 | Elizabeth.Stutts@dot.state.fl.us |
| Georgia | Steven Kish | 404-631-1237 | skish@dot.ga.gov |
| Hawaii | Ryan Fujii | 808-587-2028 | Ryan.fujii@hawaii.gov |
| Idaho | Rinda Mitchell | 208-830-0798 | Rinda.mitchell@itd.idaho.gov |
| Illinois | Charles Kadlec | 312-793-2184 | 29irgini.kadlec@illinois.gov |
| Indiana | Larry Buckel | 317-232-5292 | LBUCKEL@indot.IN.gov |
| Iowa | Peter Hallock | 515-239-1765 | Peter.hallock@dot.iowa.gov |
| | Pamella Lee | 515-239-1872 | Pamella.Lee@dot.iowa.gov |
| | Brad Miller (DART) | 515-283-8115 | bmiller@ridedart.com |
| Kansas | Lisa Koch | 785-296-4907 | lisak@ksdot.org |
| Kentucky | Vickie Bourne | 502-564-7433 | Vickie.Bourne@ky.gov |

| | | | |
|----------------|-------------------------|---------------|--|
| Louisiana | Donna Lavigne | 207-624-3245 | 225-274-4302 |
| Maine | Barbara Donovan | 207-624-3245 | Barbara.donovan@maine.gov |
| Maryland | Leonard Howard | 410-767-0029 | Lhoward1@mtamaryland.com |
| Massachusetts | Joanne Champa | 617-973-7062 | joanne.champa@state.ma.us |
| Michigan | Andrea Brush | 517- 335-2534 | BrushA@michigan.gov |
| Minnesota | Judith Ellison | 651 366-4168 | ja.ellison@dot.state.mn.us |
| Mississippi | Charles Carr | 601-359-7800 | ccarr@mdot.state.ms.us |
| Missouri | Steven Billings | 573-751-2523 | Steven.billings@modot.mo.gov |
| Montana | David Jacobs | 406-444-9192 | dajacobs@mt.gov |
| Nebraska | Jerry Wray | 402-479-4694 | Jerry.wray@nebraska.gov |
| Nevada | Michelle Gardner-Lilley | 775-888-7312 | Mgardner-lilley@dot.state.nv.us |
| New Hampshire | Christopher Morgan | 603-271-2468 | cmorgan@dot.state.nh.us |
| New Jersey | Linda Di Giovanni | 973-491-8074 | ldigiovanni@njtransit.com |
| New Mexico | David Harris | 505-827-5420 | DavidC.Harris@state.nm.us |
| New York | Ron Epstein | 518-457-8362 | repstein@dot.state.ny.us |
| North Carolina | Miriam Perry | 919-733-4713 | mperry@dot.state.nc.us |
| North Dakota | Bruce Fuchs | 701-328-2194 | bfuchs@nd.gov |
| Ohio | Jane Smelser | 614- 644-8054 | Jane.Smelser@dot.state.oh.us |
| Oklahoma | Roger Eaton | 405- 521-2584 | reaton@ODOT.ORG |
| Oregon | Dinah Van Der Hyde | 503-986-3885 | Dinah.VANDERHYDE@odot.state.or.us |
| Pennsylvania | Bob Smeltz | 717-787-1219 | robsmeltz@state.pa.us |
| Puerto Rico | Maria Bernier Massari | 787.729.1586. | Mbernier@act.dtop.gov.pr |
| Rhode Island | Robert Shawver | 401-222-2694 | rshawver@dot.ri.dov |
| South Carolina | Kayin Jones | 803-737-7014 | joneskc@scdot.org |
| South Dakota | Bruce Lindholm | 605-773-3574 | Bruce.lindholm@state.sd.us |
| Tennessee | Nellie Patton | 615-741-2781 | 30irgin.patton@state.tn.us |
| Texas | Bobby Killebrew | 512-374-5232 | bkillieb@dot.state.tx.us |
| Utah | Leone Harwood-Gibson | 801-964-4508 | lgibson@utah.gov |
| Vermont | Krista Chadwick | 802-828-5750 | Krista.chadwick@state.vt.us |

| | | | |
|---------------|-----------------|--------------|--|
| Virginia | Terry Brown | 804.786.1722 | terry.brown@drpt.virginia.gov |
| Washington | Cathy Silins | 360-705-7919 | silinsc@wsdot.wa.gov |
| West Virginia | Susan O'Connell | 304-558-0428 | Sustan.l.o'connell@wv.gov |
| Wisconsin | John Alley | 608-266-0189 | john.alley@dot.wi.gov |
| Wyoming | John Black | 307-777-4181 | John.Black@dot.state.wy.us |

ABBREVIATIONS, ACRONYMS, INITIALISMS, AND SYMBOLS

DOT – Department of Transportation

FTA – Federal Transit Administration

TDC – Transportation Development Credits

MPO – Metropolitan Planning Organization

CAA – Clean Air Act

ADA – Americans with Disabilities Act of 1990

5307 – Urbanized Area Formula Program

5311 – Formula Grants for Other than Urbanized Areas

5310 – Transportation for Elderly Person and Persons with Disabilities

5316 – Job Access and Reverse Commute Program

5317 – New Freedom Program

TEA-21 – The Transportation Act for the 21st Century

SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users

Title 23 U.S.C. – Title 23 United States Code

PM – Preventative maintenance

RFP – Request for proposal

CalTrans – California Department of Transportation

DART – Des Moines Area Regional Transit Authority

FHWA – Federal Highway Administration

TANF – Temporary Assistance for Needy Families

IRR – Indian Reservation Road funds

SIB – State Infrastructure Bank

BIA – Bureau of Indian Affairs

IT – Information Technology

CMAQ – Congestion Mitigation Air Quality Improvement Program

APPENDIX A: Innovative Financing Techniques Determined by Literature Review

| Technique | Description | Policy or Legislation Changes Needed | Source |
|---|---|--|--------|
| Access Fees | An access fee is a fee charged to a property owner whose property is benefited by the location of a nearby transportation resource, such as a transit station or highway on-ramp. Access fees would be fairly stable in economic expansion if the fee rate were set on a per-square-foot, but would not continue to create revenue in the long run unless the rate or taxable space increased. Access fees tend to deter interest in land around the public transit station, defeating the purpose the revenue altogether. | The study comments that implementation and enforcement of these fees would be substantial due to the need for local governments to develop the system. | 2 |
| Advertisement | Advertising on bus and rail transit systems is an easy way for companies to reach large numbers of people in a very short amount of time. For an advertising agency, busses are essentially moving billboards. Since 1989, there has been a tremendous increase in the advertising seen in public transit systems. Overall, revenue from transit advertising is typically much smaller than other sources, but remains fairly easy to maintain and collect. Recommendations for a successful advertising campaign include enlisting an aggressive advertising vendor, strictly enforcing vendor consequences for unused space or contract violations, and referencing the transit system in the ads as much as possible. | None | 1, 2 |
| ARRA Bonds | The American Recovery and Reinvestment Act of 2009 (ARRA) provided for two new transportation bonds, Build America Bonds (BABs) and Recovery Zone Bonds (RZBs). In the first several months of availability, public issuers sold nearly \$8 billion in BABs, including a successful \$1.375 billion issue by the New Jersey Turnpike Authority. ARRA established a \$10 billion national bond cap for RZBs, but none have been used to date. | The American Recovery and Reinvestment Act of 2009 (ARRA) | 1 |
| Block Grants from Non-Transportation Federal Agencies | There are several federal agencies like the Department of Health and Human Services and the Department of Housing and Urban Development that will grant money for transportation projects. These human service agencies' programs are increasingly funded on a "block grant" basis. These types of grants have less spending restrictions, therefore giving local governments much greater autonomy in deciding the most effective use for the funding. By utilizing these less restricted federal funds, states have more options with their dedicated funding sources. | None | 2 |
| Casino/Lottery Tax | New Jersey allocates a portion of its casino revenues to fund elderly and disabled programs. In 2005, \$25.3 million were dedicated to transit, accounting for about 5 percent of the total casino revenues. Oregon and Pennsylvania dedicate a portion of lottery revenues for transit. In Oregon, lottery bonds were issued for the TriMet light rail program. | | 3 |
| Cigarette Tax | In Oregon, cigarette tax revenues provided \$4.2 million to support transit expenses. Pennsylvania also derives transit revenue from the cigarette tax. | | 3 |
| Community Facility Districts | CFDs are creative funding mechanisms for infrastructure projects where residential and commercial property owners are charged an annual fee for the benefit of infrastructure in their area. CFDs seem suited to regional projects and programs as they are not tied to a specific facility as is the case with most other beneficiary charges. Although they have seen limited use for transportation to date, there may be larger potential in the future | They have been used in California and to a lesser extent in Arizona, Illinois, New Mexico, and Hawaii. | 3 |
| Congestion and Cordon Pricing | Congestion pricing is designed to shift demand to less congested areas or time periods by charging motorists for road use or varying charges during times of peak demand. Under cordon pricing vehicles are charged for entry into a congested area, such as a city center, during some portion of the day. Although only a few states use congestion fees, and none use cordon pricing, these tools are in use in a number of countries as a means of both demand mitigation and revenue generation (for example, to help fund transit options). The United Kingdom, Norway, and Sweden have operated successful congestion and cordon pricing schemes for several years; Singapore created the first congestion pricing program in the 1970s. | Needs city/state legislation | 1 |
| Corporate Sponsorship | The Acadia National Park had established an advertising program with L.L. Bean, where the company donates \$250,000 annually in four year contracts in exchange for heavy sponsorship and advertising within the park. | None | 2 |

| | | | |
|--|--|---------------|-------|
| | The Greater Cleveland Regional Transit Authority (GCRTA) sought corporate sponsorship for their entire bus rapid transit system and chose to forgo traditional advertising revenue streams for a naming rights contract, station underwriting contracts, and other innovative revenue generators. | | AECOM |
| Driver License Fees | <p>Given limited discretionary funding, many states also may need to supplement their traditional sources of revenue in order to effectively pursue project finance strategies. The Texas Transportation Commission, for example, secured an amendment to the State constitution and other legislation needed to create a Texas Mobility Fund that will be used, in part, to supplement funding for regional toll roads. The revenues dedicated to the Texas Mobility Fund (various driver license and motor vehicle fees) are expected to support approximately \$3 billion of bonds.</p> <p>New York MTA examples of revenues from motor fuel and vehicle taxes and fees flowing to transit include: Motor fuels excise tax revenues, vehicle registration fees and driver license fees;</p> | May be needed | 1, 3 |
| Employer Contributions for Operating Costs | <p>Wisconsin has had employer contributions for operating costs in a number of Job Access Reverse Commute (JARC)-funded projects, where employers and local project sponsors identified significant direct benefit to employers. This would amount to \$200,000 to \$500,000 per year on average.</p> <p>Employers in the Denver area who choose to participate in the program purchase the Eco Pass for all their employees, regardless of how many actually use the pass. The Eco Pass allows the user to ride the transit system free of charge. Thus the pass is a tax-deductible recruiting tool for employers and an untaxed benefit for employees. Implemented by the Regional Transit District (RTD) in early 1990s, the Eco Pass performed so well, it exceeded all the agency set goals for increased ridership and decreased vehicle miles traveled. Within five years of the program's implementation, over 35,000 workers were enrolled in the Eco Pass program. As of August 2006, between 80,000 and 90,000 employees work for employers that offer Eco Pass. Price to employers is based on the business's location and employment rate and the RTD ensures the pass price covers the administrative and marketing costs involved in the program. This system does require more monitoring than the cashless fare system utilized in Virginia, but the resoundingly positive response and the continued increase in ridership shows the program to be a success.</p> | None | 2 |
| Grant Anticipation Notes | Transit agencies can use a similar vehicle – Grant Anticipation Notes (GAN) – to borrow against future Federal Transit Administration grants that are allocated by formula (Section 5307) or by project (Section 5309). ⁴ Approximately \$3 billion of GANs have been issued thus far. | None | 3 |
| GARVEE Bond | The Grant Anticipation Revenue Vehicle (GARVEE) borrowing tool was created in 1995 as part of the National Highway System Designation (NHS) Act. A GARVEE can be any “bond, note, certificate, mortgage, lease, or other debt financing instrument issued by a state or political subdivision,” whose principal and interest is repaid primarily with Federal-aid funds. As of July 2006, at least 16 states plus Puerto Rico and the Virgin Islands had issued GARVEE bonds for approved Federal-aid projects totaling about \$5.7 billion (excluding refunding bonds). Over \$5 billion of additional debt payable from Federal highway reimbursements (Construction Reimbursement Vehicles or RVEes) also had been issued. RVEes are sometimes referred to as “indirect” GARVEEs because the Federal funds used to pay all or a portion of the debt service are not necessarily linked to the projects being financed. RVEes are issued pursuant to state laws and regulations and the proceeds do not have to be used on Federal-aid projects. | None | 1,3 |
| Higher Federal Share | <p>Vehicles and Facilities - Generally speaking, the federal and non-federal matching shares for eligible capital projects are 80 percent and 20 percent respectively and for operating expenses are 50 percent and 50 percent respectively. The use of federal transit grants for capital expenses naturally lends to higher federal share than using them for operations. Also, within the capital grants there are exceptions that trigger marginally higher federal share than the standard 80 percent.</p> <p>The Federal share is 90 percent for the cost of vehicle-related equipment or facilities attributable to compliance with the ADA or CAA. Also, the Federal share is 90 percent for those bicycle access projects or portions of bicycle access projects designed to provide access for bicycles to public transportation facilities, provide shelters and parking facilities for</p> | FTA Policy | AECOM |

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|---|--|--|----------------|
| | <p>bicycles in or around the public transportation facilities, or install equipment for transporting bicycles on public transportation vehicles. In addition, in Section 5307 grant, if the project involves bicycle access to transit and the access is made with the funds required to be expended as a “transit enhancement”, the federal share is 95 percent.</p> <p>Sliding Scale Match - The Section 5310 and 5311 grant programs allow for a sliding scale match, which results in higher federal shares for fourteen states based on the ratio of designated public land area to the total area of these states. For Nevada the sliding scale rate for transit capital grants is 94.89 percent and for California the rate is 83.57 percent. Similarly, a different and potentially higher sliding scale rates may be available for certain states based on the ratio of area of nontaxable Indian land, public domain lands, national forest, and national parks and monuments to the total area of each state.</p> <p>Budgeting Maintenance as Preventative Maintenance – Includes maintenance costs related to vehicles and facilities so that they are eligible for capital assistance, which triggers a higher federal share.</p> <p>Use of Purchase of Service – An agreement or a contract to obtain service from a private vendor.</p> <p>Capital Cost of Contracting – When a private vendor provides transit service or maintenance service or vehicles that will be use in transit service, FTA provides assistance with the capital consumed during the course of the contract. The concept of assisting with the capital consumed is referred to as the Capital Cost of Contracting.</p> <p>Interagency coordination of over-match – the state can play a crucial role in identifying cases where, through interlocal agreements, an agency that lacks local match for available federal funding can permit the use of that funding by another agency, and can utilize non-federal funds provided in return to increase its funding capacity.</p> | | |
| Impact Fees | Impact fees consist of one-time charges to developers on new development. Revenues from impact fees are used to pay for infrastructure improvements resulting from growth generated by new development, such as water, sewers, roads, parks, schools, and other infrastructure needs. Impact fees for transportation facilities may be calculated based on average trips, numbers of units in a residential project, square footage in a nonresidential project, or other factors. | Currently, 27 states have approved legislation that allows for the implementation of impact fees. In Maryland, Tennessee, and North Carolina, impact fees are authorized through special legislation for specific jurisdictions. The states with the highest number of communities that have adopted impact fees are California, Florida, Washington, Oregon, Colorado, and Texas. | 1,2 |
| Local Mobility Banks | A Local Mobility Bank is a book entry through which the local share for qualified projects would be deposited. The local share would then receive a credit on the books of the Local Mobility Bank which would be utilized to support the local match requirement for other federal and state funded projects. Qualified land value and Transportation Development Credits may also be deposited into the Local Mobility Bank to build up, if any, excess local share credit. | | Bobby Killbrew |
| Local Option Taxes | Local Option Taxes have been widely used in many states to support highway and transit investments. Local governments in most states have implemented some type of local option tax, which must be specifically allowed by state enabling legislation. Local option taxes for transportation investments include motor fuel, vehicle, property, sales, and income taxes. | Commonly, local option taxes require voters’ approval. While an expenditure plan that specifies projects and/or programs to be funded with the new local option tax levies is not always required, local option taxes have better chances of success for implementation where expenditures and uses are clearly defined. Implementation plans that are well designed have resulted in high success rates for ballot measures to enhance transportation revenues. | 3 |
| Long Term Leases of Existing Assets – Air Rights, Public Property | Public transportation authorities have leveraged various property assets to generate incremental cash or in-kind goods and services for many years. Several highway agencies, for example, have granted access to their right-of-way to private telecommunications companies in exchange for donations of communications technology (principally capacity on fiber optic lines) or lease payments. Some transit authorities have had success entering into joint development arrangements | | 3 |

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|---|--|---|---------|
| | with private developers that leverage air rights and publicly owned property around rail stations. | | |
| Mortgage or Real Estate Transfer Fees | Transit also has utilized an array of other dedicated fees such as rental car fees, mortgage or real estate transfer fees, and lottery revenues. | | 3 |
| Mortgage Recording Tax | Mortgage Recording Tax (MRT) is collected for transit in the New York City region. The MRT is actually two taxes. The first, designated MRT-1, is a tax of 0.30 percent on debt secured by certain mortgages on property in the MTA service region, a rate that was increased from 0.25 percent on June 1, 2005. The second, MRT-2, is a tax of 0.25 percent on another type of mortgage, those for improvements of residential structures with one to six units. Both taxes are collected by New York City or one of the seven counties within the MTA service region, and transferred to the MTA. | | 3 |
| Oil Company Taxes | Pennsylvania levies an Oil Company Franchise Tax, which is estimated as 153.5 mills (gasoline) and 208.5 mills (diesel) on the revenue received on the first sale of petroleum products used for motor fuels, expressed in cents per gallon. Petroleum revenues are estimated by multiplying the total gallons of petroleum products by the average wholesale price of gasoline. The oil company franchise tax is collected only between the high and low limits on the wholesale price, which are statutorily set at \$0.90 to \$1.25 per gallon. The average wholesale price is revised annually, with new oil company franchise tax rates set in January every year. In January 2005, the Oil Company Franchise Tax was estimated at 18 cents per gallon for gasoline, and 23 cents per gallon for diesel. The tax rate increased by 3.2 cents per gallon, because of the average wholesale price increase from \$0.919 per gallon in 2003 to \$1.17 per gallon in 2004. In January 2006, the tax rate increased again to 19.2 and 26.1 cents per gallon of gasoline and diesel, respectively. Because the oil company franchise tax is now levied on its highest allowed statutory price of \$1.25 per gallon, the statutory limit will have to be adjusted if fuel prices rise further. The Pennsylvania Transportation Funding and Reform Commission's recently released recommendations include a proposed increase in this tax by the equivalent of 11.5 cents per gallon to finance the additional needs of highways and bridges in the state. ¹ | | 1 |
| Petroleum Business Tax | New York imposes a tax on petroleum businesses operating in the State. The tax rate is expressed in cents per gallon, and adjusted annually by the Producer Price Index (PPI) on refined petroleum products. However, the annual change is capped at 5 percent and in some cases the legislature held the rate constant as part of the annual budget process. In 2005, the PBT rate was 15.2 cents per gallon for motor fuel and 13.45 cents per gallon for automotive diesel. The PBT rate increased by 0.7 cents per gallon in 2006, to 15.9 and 14.15 cents per gallon for gasoline and diesel, respectively. Revenues from the PBT are dedicated to both highway and transit. | | 3 |
| Payroll/Income Tax | Payroll or personal income taxes are also susceptible to economic fluctuations but they do keep better pace with economic expansion than sales tax. As opposed to a sales tax, payroll or personal income taxes are progressive in nature, which makes them a better fit with the ability to pay principle. As consumers earn more income, they are taxed more as well insuring a more even distribution of financial burden. The administrative costs associated with payroll and personal income taxes remains low so long as they are collected at the state level as part of the already established income tax. | | 2 |
| Public Private Partnerships/Joint Development | State and local transportation agencies are using a wide range of contractual arrangements to enhance private sector participation in Project Delivery (development phase through design and construction), Asset Management (long-term operations and maintenance), and Project Finance (debt and possibly equity financings secured primarily by project revenues). These public-private partnerships can provide substantial benefits in terms of accelerating project development and construction, increasing operating efficiency, and limiting public sector exposure to certain risks, such as cost overruns or project revenue shortfalls. | As of October 2006, 21 states and Puerto Rico had adopted enabling legislation authorizing some form of public-private partnership with regard to delivery of transportation projects | 1, 2, 3 |
| Soft or In-Kind Match | Refers to donations, volunteer efforts, and in-kind contributions to a grant project. One of the most productive sources of in-kind match is real estate; many agencies own real estate that was acquired without Federal funding and are trying to improve (add facilities to) that real estate with federal funds; the market value of the real estate can often more than provide the total local match for the project. Street closures and certain rights of way may also provide highly valued | | AECOM |

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| | local match opportunities. Carefully and fully accounting for staff costs involved in a project and the use of federally approved cost allocation plans to capture overhead expense are other methods of increasing in-kind local match. | | |
| State Infrastructure Banks | <p>State Infrastructure Banks (SIBs) are revolving loan funds to finance highway and transit projects. 15 SIBs are in place in 35 states, although more than 95 percent of the funding is concentrated in eight states, and one state accounts for more than half. They became widespread in 1998 when the federal government expanded eligibility and provided \$150 million in seed funding for initial capitalization. 16 To date, SIBs have provided \$6.2 billion in loans for 693 different transportation projects.</p> <p>These revolving funds, which are usually referred to as SIBs, provide an opportunity to leverage Federal and state resources by <i>lending rather than granting</i> Federal-aid funds, and they can be used to attract non-Federal public and private investment. Among the advantages to borrowers are that funds may be loaned on a low interest basis, and SIB loans can be secured by a subordinate lien on pledged revenues. SIBs also are authorized to provide credit enhancement through loan guarantees, reserve funds, and other means.</p> | All states and territories and the District of Columbia are authorized under current law to enter into cooperative agreements with the Secretary of Transportation to establish infrastructure revolving funds eligible to be capitalized with Federal transportation funds authorized for fiscal years 2005 to 2009. | 1,3 |
| Tax Exempt Market | One way to secure financing for revenue-generating infrastructure projects is to access private investors in the U.S. municipal market. State and local governments can issue tax exempt revenue bonds through established conduit issuers or newly created public authorities. In the toll road sector, for example, North Carolina and Colorado have recently established state turnpike authorities and in Texas, there are several new Regional Mobility Authorities that are authorized to issue project debt on a tax-exempt basis. Several highway and transit projects have been funded with proceeds from debt issued by nonprofit corporations, which, pursuant to Internal Revenue Service (IRS) Revenue Rule 63-20 and Revenue Procedure 82-26, are able to issue tax-exempt debt on behalf of private project developers. Examples include toll roads (the Pocahontas Parkway in Virginia and the Southern Connector in South Carolina), the State-supported Massachusetts Route 3 North project, and the Las Vegas Monorail project. | A new option for accessing the tax-exempt market was created under SAFETEA-LU with the establishment of a new class of Private Activity Bonds (PAB) for “qualified highway or surface freight transfer facilities.” To be eligible, projects must be Title 23 eligible projects, international bridges and tunnels, or intermodal rail-truck transfer facilities that receive some form of Federal assistance under Title 23. A national limit of \$15 billion is authorized under the program, to be allocated by the Secretary of Transportation on a discretionary basis. The PABs are Federally tax-exempt but purchasers are subject to the alternative minimum tax. | 3 |
| Transportation Development Credits (formerly known as Toll Credits) | Toll fees are one of the oldest and purest forms of financing transit development, specifically that of freeways and interstates. Dating back to the eighteenth century, private investors formed tolling companies and used part of the income to improve and maintain the road while charging the user. Also, until very recently, toll roads were typically associated with long lines to pay, especially on busy roads. However, with new innovations in toll financing, they are once again becoming a viable revenue source for transit agencies. | Under the toll credit technique (codified by Section 1111 of TEA-21), a state is permitted to use certain toll revenues as a credit toward the non-federal matching share of programs authorized under Title 23 U.S.C. (except for the emergency relief program) and for transit programs authorized by Chapter 53 of Title 49. The amount of credit toward local share to be earned by a state, is based on revenue generated by toll authorities within the state that are used by the authorities to build, improve, or maintain highways, bridges, or tunnels that serve interstate commerce. The state has four fiscal years to use the credit. | 2/ AECOM |
| Traffic Camera Fees | A traffic enforcement camera is an electric device used to photograph and fine vehicles breaking a speed limit, running a red light, or breaking some other road safety law. Most cameras are mounted in boxes or on poles beside the road or at an intersection and are connected to a sensor. The sensors are programmed to be able to detect vehicles speeding or driving through red lights. Traffic camera fee revenues are typically used to supplement general funds but can also be used to generate funds for transportation purposes. | Six states, including Arkansas, Nebraska, Nevada, New Jersey, West Virginia, and Wisconsin, have severely restricted or banned the use of these cameras because of legal uncertainties, including privacy concerns | 1 |
| Transportation Improvement District | In order to enhance prospects for securing Federal Transit Administration funding for the first phase of the Dulles Corridor Metrorail Project, a group of commercial landowners submitted a petition to Fairfax County to establish a transportation improvement district to provide funding for a local contribution. The petition was approved in 2004 and the tax levy is expected to be sufficient to support \$400 million of bonds. | County petition | 3 |

| | | | |
|--|--|---|---|
| Value Capture – Assessment Districts and Tax Increment Financing | Value capture attempts to capture some of the increase in value due to the improvement which benefits the properties impacted. Assessment districts are special property taxing districts where the cost of infrastructure is paid for by properties that are deemed to benefit from the infrastructure. These assessments can be applied to the full value of the subject property, or use a Tax Increment Financing (TIF) technique in which bonds are issued to finance public infrastructure improvements, and repaid with dedicated revenues from the increment in property taxes as a result of such improvements. | To date, Arizona is the only state that has not enacted TIF laws. The use of TIF was initiated in California in the 1950s, and has been used extensively in other states, such as Illinois, Minnesota, and Wisconsin. Portland, Oregon has used TIF to fund transit investments, such as the Portland Streetcar and the MAX Yellow Line. | 3 |
| Vehicle Miles Travelled Fees | Vehicle miles traveled (VMT) fees charge drivers directly for each mile traveled; they replace the traditional motor fuel tax. States are just beginning to examine using vehicle miles traveled fees, with a pilot in one state and research projects in a handful of others. VMT-based fees are in place for trucks in Germany, Switzerland, and Austria. VMT based fees are due to be utilized in the Netherlands by 2014 and in Denmark by 2016. Oregon has piloted a VMT fee in Portland. In 2006-2007, the state’s department of transportation equipped 285 vehicles in the Portland area with GPS receivers that identify the location of the vehicle and its speed, then register the miles driven within certain zones at certain times (in-state, out-of-state, urban area, and rush hour). The receiver registered the mileage driven in each zone and uploaded the information to a central database automatically at refueling stations. The Oregon pilot program required a revenue neutral fee of 1.2 cents per mile, meaning that the charge to users would be approximately the same as the gas tax but would be applied on a mileage basis instead of a fuel consumption basis. | The Oregon DOT addressed privacy concerns by using a recorder that could only register mileage driven in specific zones at specific times. As each mile is recorded in each zone, the previous record is erased, making it impossible to associate driving behavior with any specific location at any specific time. In 2009, the legislature introduced House Bill 2120, calling for further development of technology for implementing a vehicle miles traveled fee to eventually replace the gasoline tax, as well as new pilot programs to implement congestion pricing in the state and study how its use may reduce traffic congestion. | 1 |

APPENDIX B: Survey of State DOT Practices

Survey

Page 1: Introduction:

AECOM is supporting the AASHTO Standing Committee on Public Transportation by conducting a NCHRP study on “Innovative Financing Techniques and Best Practices for Providing Match on Federal Transit Administration Dollars.”

As part of this study, AECOM is conducting an online survey; it is our intention that the survey should not take more than 30 minutes to complete.

This survey aims to:

- Determine your State DOT’s familiarity with and use of innovative financing techniques
- Identify other innovative financing techniques used by the state DOT or its sub-recipients
- Identify reasons for not using certain or any innovative financing techniques
- Identify strategies adopted by the states to overcome the decrease or lack of local/state match or to stretch available match funds further

For timely completion of our study, please complete the online survey by **Friday, December 20, 2010**.

If you have any questions about the study or the survey, please contact Laura Riegel of AECOM at laura.riegel@aecom.com or 703-340-3068

Thank you in advance for your time and assistance.

Page 2: Local Match

1. Does your state or its sub-recipients have difficulty acquiring local matching funds for these federal grant programs?

| | 5307 | 5310 | 5311 | 5316 | 5317 |
|--|------|------|------|------|------|
| Always Have enough local match to draw all available federal funds | | | | | |
| Sometimes have difficulty | | | | | |
| Often have difficulty | | | | | |
| Regularly are not able to utilize all available funds due to lack of local match | | | | | |

Page 3: Using 5307 Funds for Maintenance

2. Please fill in the following table

| | Yes | No |
|---|-----|----|
| Are you familiar with the funding technique listed above? | | |
| Has your state or its sub-recipients used this funding technique? | | |

3. If you or your sub-recipients use this funding technique, do you find that the benefits are worth the administrative efforts required?

- a) Yes
- b) Yes, but the effort is great enough to materially offset the benefit
- c) No
- d) Don't use

4. If your state and its sub-recipients do not use this funding technique, what are the reasons for not doing so? Select all that apply

- a) Not familiar with technique
- b) Do not qualify
- c) Administrative burden
- d) Available funds are fully utilized, therefore no advantage
- e) We use this technique
- f) Other (please specify)

Page 4: Soft or In-Kind Match

Soft or In-Kind Match – Refers to donations, volunteer efforts, and in-kind contributions to a grant project. One of the most productive sources of in-kind match is real estate; many agencies own real estate that was acquired without Federal funding and are trying to improve (add facilities to) that real estate with federal funds; the market value of the real estate can often more than provide the total local match for the project. Street closures and certain rights-of-way may also provide highly valued local match opportunities. Carefully and fully accounting for staff costs involved in a project and the use of federally approved cost allocation plans to capture overhead expense are other methods of increasing in-kind local match.

5. Are you familiar with this funding technique?

- a) Yes
- b) No

6. Has your state or its sub-recipients used this funding technique?

| | Yes | No |
|-------------|-----|----|
| Staff Costs | | |
| Land | | |
| Other | | |

7. If you or your sub-recipients use this funding technique, do you find that the benefits are worth the administrative efforts required?

- a) Yes
- b) Yes, but the effort is great enough to materially offset the benefit
- c) No
- d) Don't use

8. If your state or its sub-recipients does not use this funding technique, what are the reasons for not doing so? Select all that apply.

- a) Not familiar with technique
- b) Do not qualify
- c) Administrative burden
- d) Available funds are fully utilized, therefore no advantage
- e) We use this technique
- f) Other (please specify)

Page 5: Higher Federal Share Available

Higher Federal Share by written policy for-

"CAA or ADA" - Under 49 U.S.C. 5323(i), the Federal share may be 90 percent for vehicle-related equipment or facilities required by ADA or vehicle related equipment or facilities (including clean fuel or alternative fuel vehicle related equipment or facilities) for purposes of complying with or maintaining compliance with the Clean Air Act (CAA), as amended.

According to 49 U.S.C. 5323(i), it is only the incremental cost of the equipment required by the ADA or CAA that may be funded at 90 percent, not the entire cost of the vehicle, even if the vehicle is purchased for use in service required by the ADA or CAA. Alternatively, for administrative simplicity FTA allows grantees to compute the Federal share at 83 percent for accessible vehicles. For facilities, FTA will consider the incremental cost of the ADA or CAA equipment on a case-by-case basis. (States entitled to a sliding scale Federal share higher than 80 percent may find it more advantageous to calculate the 90 percent share on the incremental cost of vehicle related equipment rather than using the 83 percent composite share).

"Bicycle" - Bicycle Projects. Under 49 U.S.C. 5319, the Federal share may be 90 percent for those capital projects used to provide access for bicycles to transit facilities, or to install racks or other equipment for transporting bicycles on transit vehicles. "Sliding Scale" - Sliding Scale. Higher Federal share rates for capital costs are available to 14 States described in 23 U.S.C. 120(b). The higher Federal shares under 23 U.S.C. 120 (b)(1) are based on the ratio of designated public lands area to the total area of these 14 States. For FTA capital grants, the Federal share increases from 80 percent in proportion to the share of public lands in the State. For FTA operating grants in these same States, the Federal share increases from 50 percent to 62.5 percent (5/8) of the rate for capital grants.

9. Are you familiar with the following funding techniques?

| | Yes | No |
|---------------|-----|----|
| CAA or ADA | | |
| Bicycle | | |
| Sliding Scale | | |

10. Has your state or its sub-recipients used the funding techniques listed below?

| | Yes | No |
|------------|-----|----|
| CAA or ADA | | |
| Bicycle | | |

| | | |
|---------------|--|--|
| Sliding Scale | | |
|---------------|--|--|

11. If your state or its sub-recipients use any of these funding techniques, do you find that the benefits are worth the administrative efforts required?

| | Yes | Yes, but the effort is great enough to materially offset the benefit | No | Don't use |
|---------------|-----|--|----|-----------|
| CAA or ADA | | | | |
| Bicycle | | | | |
| Sliding Scale | | | | |

12. If your state and its sub-recipients do not use any of these funding techniques, what are the reasons for not doing so? Select all that apply.

| | Not familiar with techniques | Do not apply | Administrative burden | Available funds are fully utilized, therefore no advantage | We use this technique | Other – please explain below |
|---------------|------------------------------|--------------|-----------------------|--|-----------------------|------------------------------|
| CAA or ADA | | | | | | |
| Bicycle | | | | | | |
| Sliding Scale | | | | | | |

Other –

Page 6: Transportation Development Credits (formerly known as Toll Credits)

Use of Transportation Development Credits (TDC, formerly known as Toll Credits) - Under the toll credit technique, a state is permitted to use certain toll revenues as a credit toward the non-federal matching share of programs authorized under Title 23 U.S.C. (except for the emergency relief program) and for transit programs authorized by the Chapter 53 of Title 49. The amount of credit toward local share to be earned by a state, is based on revenue generated by toll authorities within the state that are used by the authorities to build, improve, or maintain highways, bridges, or tunnels that serve interstate commerce. The state has four fiscal years to use the credit.

13. Please fill in the following table

| | Yes | No |
|---|-----|----|
| Are you familiar with the funding technique listed above? | | |
| Has your state or its sub-recipients used this funding technique? | | |

14. If your state or its sub-recipients use this funding technique for transit projects, do you find that the benefits are worth the administrative efforts required?

- a) Yes
- b) Yes, but the effort is great enough to materially offset the benefit
- c) No
- d) Don't use

15. If your state or its sub-recipients does not use this funding technique, what are the reasons for not doing so? Select all that apply.

- a) Not familiar with technique
- b) Do not qualify
- c) Administrative burden
- d) Available funds are fully utilized, therefore no advantage
- e) We use this technique
- f) Other (please specify)

Page 7: Using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service

Using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service

16. Please fill in the following table

| | Yes | No |
|---|-----|----|
| Are you familiar with the funding technique listed above? | | |
| Has your state or its sub-recipients used this funding technique? | | |

17. If your state or its sub-recipients use this funding technique for transit projects, do you find that the benefits are worth the administrative efforts required?

- e) Yes
- f) Yes, but the effort is great enough to materially offset the benefit
- g) No
- h) Don't use

18. If your state or its sub-recipients does not use this funding technique, what are the reasons for not doing so? Select all that apply.

- g) Not familiar with technique
- h) Do not qualify
- i) Administrative burden
- j) Available funds are fully utilized, therefore no advantage
- k) We use this technique
- l) Other (please specify)

Page 8: Interagency Coordination of Over-match

Interagency Coordination of Over-match - The state can play a crucial role in identifying cases where, through interlocal agreements, an agency that lacks local match for available federal

funding can arrange for the legitimate use of that funding by another eligible agency, and can utilize non-federal funds provided in return to increase its funding capacity.

19. Please fill in the following table

| | Yes | No |
|---|-----|----|
| Are you familiar with the funding technique listed above? | | |
| Has your state or its sub-recipients used this funding technique? | | |

20. If your state or its sub-recipients use this funding technique for transit projects, do you find that the benefits are worth the administrative efforts required?

- i) Yes
- j) Yes, but the effort is great enough to materially offset the benefit
- k) No
- l) Don't use

21. If your state or its sub-recipients does not use this funding technique, what are the reasons for not doing so? Select all that apply.

- m) Not familiar with technique
- n) Do not qualify
- o) Administrative burden
- p) Available funds are fully utilized, therefore no advantage
- q) We use this technique
- r) Other (please specify)

Page 9: Additional Financing Techniques

22. Are there other funding or financing techniques that your state or sub-recipients use that were not mentioned in this survey? If yes, please describe

Page 10: Additional Contacts

23. Who in your state would be most familiar with the techniques listed throughout this survey. Please list one or more people, including their contact information, and the techniques they are most familiar with.

- a) Name
- b) Title
- c) Organization
- d) Email
- e) Phone
- f) Technique familiar with

24. Additional Contact

- a) Name
- b) Title
- c) Organization
- d) Email

- e) Phone
- f) Technique familiar with

25. Additional Contact

- a) Name
- b) Title
- c) Organization
- d) Email
- e) Phone
- f) Technique familiar with

Page 11: Please tell us about yourself

26. Please tell us about yourself

- a) Name
- b) Position/Title
- c) State
- d) Phone
- e) Email

27. Would you be willing to participate in a more detailed phone interview?

- a) Yes
- b) No

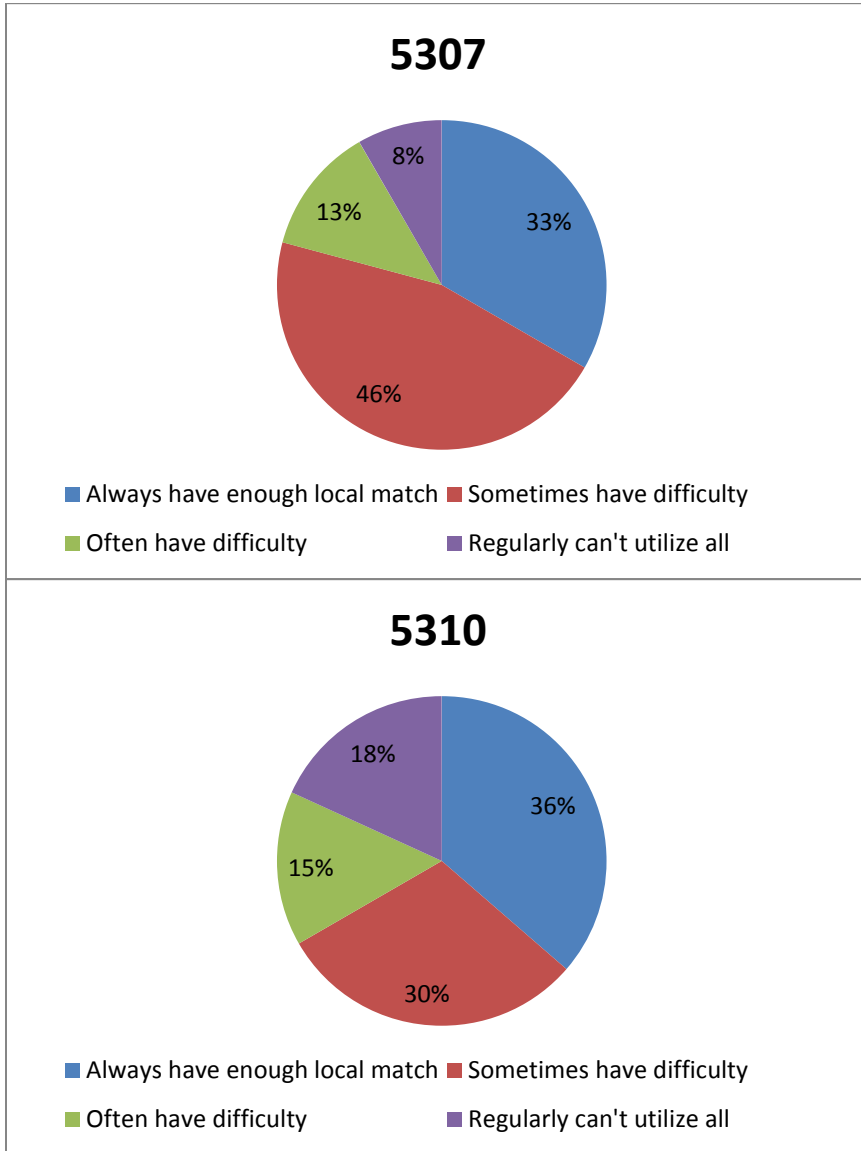
28. Do you think that your state would make an interesting case study to the success or lack of success in using innovative techniques to match federal dollars for public transportation projects?

- a) Yes
- b) No
- c) If yes, please explain

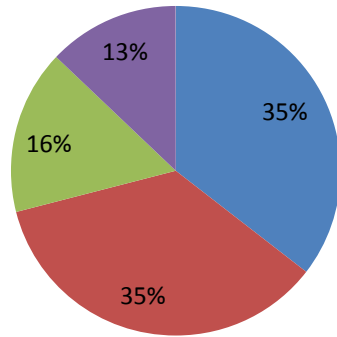
Responses

Local Match

1. Does your state or its sub-recipients have difficulty acquiring local matching funds for these federal grant programs?

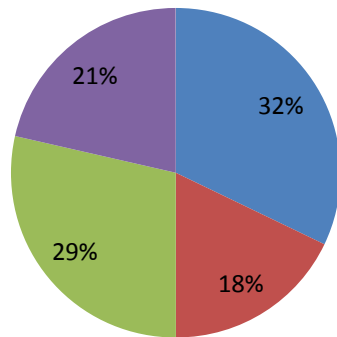


5311



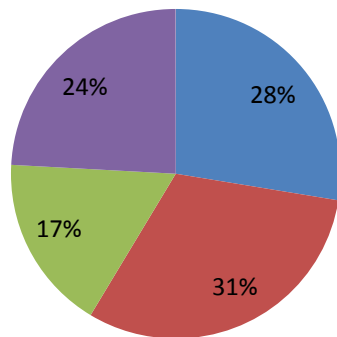
Always have enough local match Sometimes have difficulty
Often have difficulty Regularly can't utilize all

5316



Always have enough local match Sometimes have difficulty
Often have difficulty Regularly can't utilize all

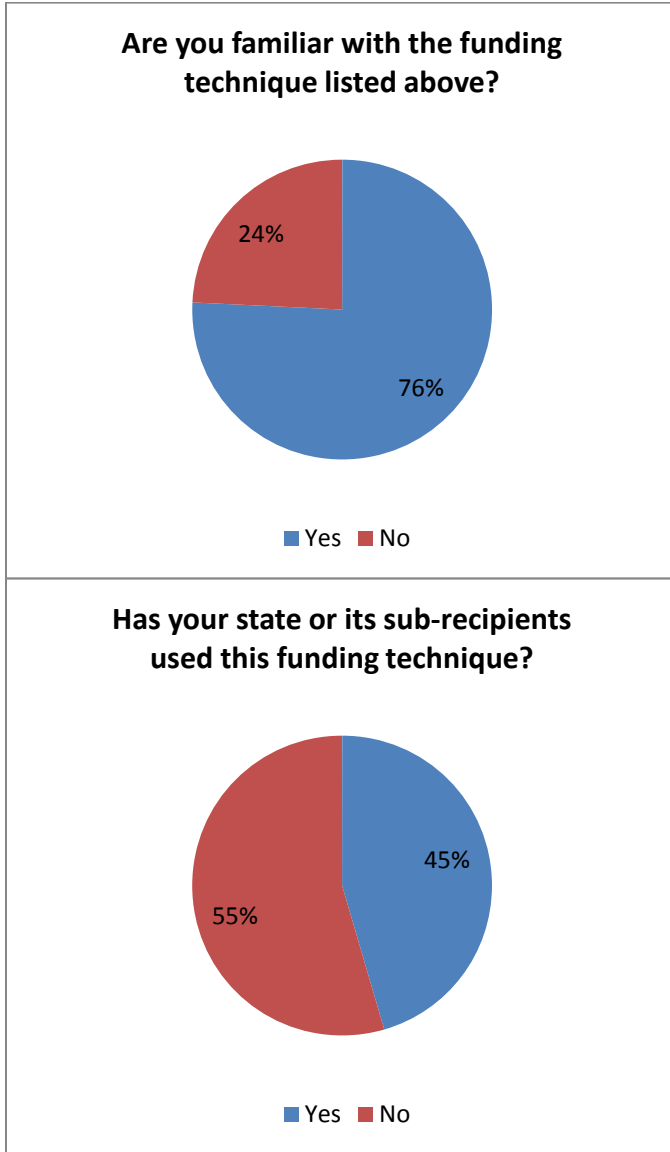
5317



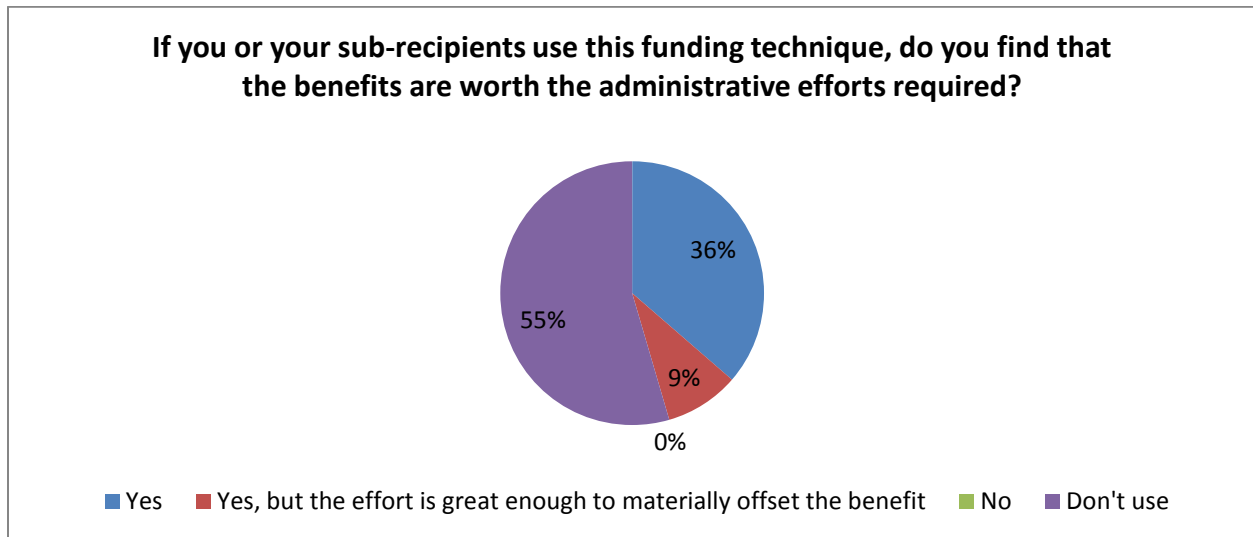
Always have enough local match Sometimes have difficulty
Often have difficulty Regularly can't utilize all

Using 5307 Formula Funds for Maintenance

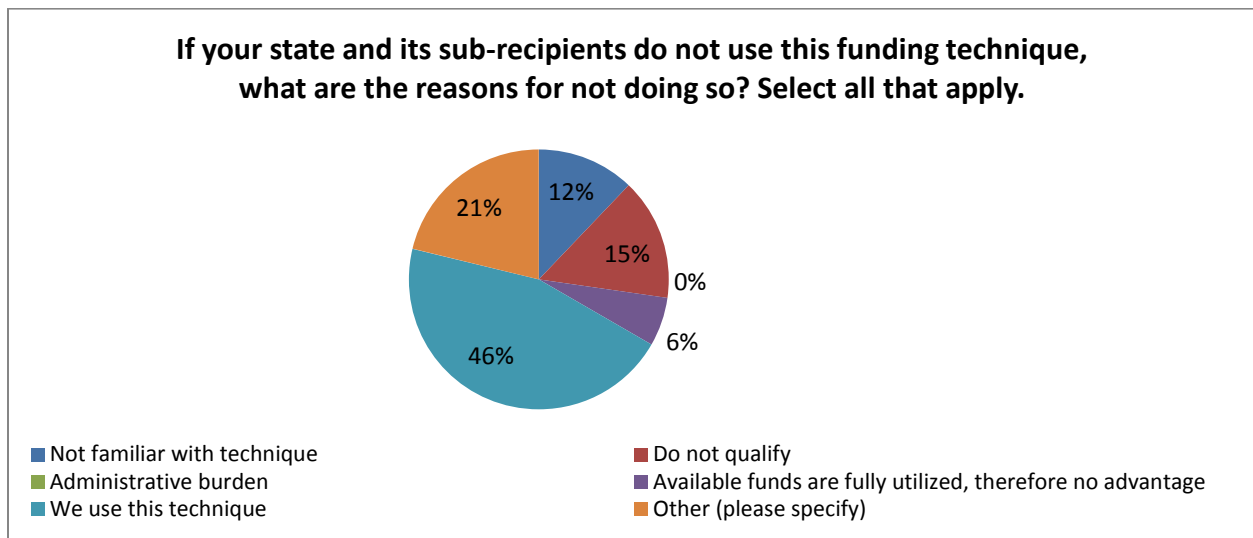
2.



3.



4.



Other

We do not pass-thru 5307 in Missouri as it is received by all 5307 recipients directly from FTA. The over 200,000 populations area transit systems do use this technique (MO).

City budget requirements(IA).

We are a state DOT - we do not use this but it is used by the small and large urban transit systems in our state (MI).

The DOT does not administer the 5307 program, however, the urban systems do use formula funds for PM (State not listed).

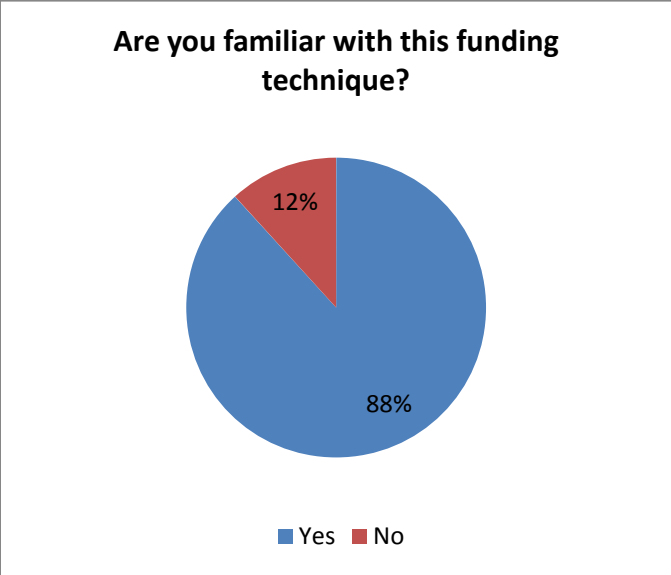
The Ohio Department of Transportation does not receive Section 5307 Formula funds directly. However, the Section 5307 Direct Recipients in Ohio do use this funding technique. In addition,

ODOT transfers FHWA funds to FTA for Section 5307 Direct Recipients to use on Maintenance (OH).

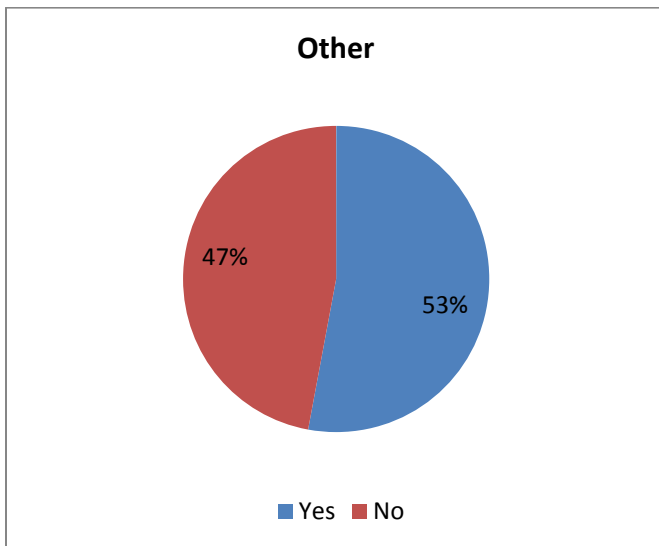
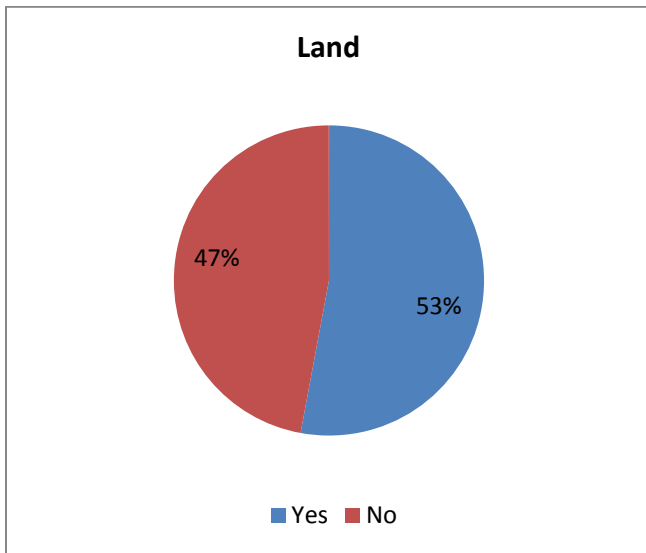
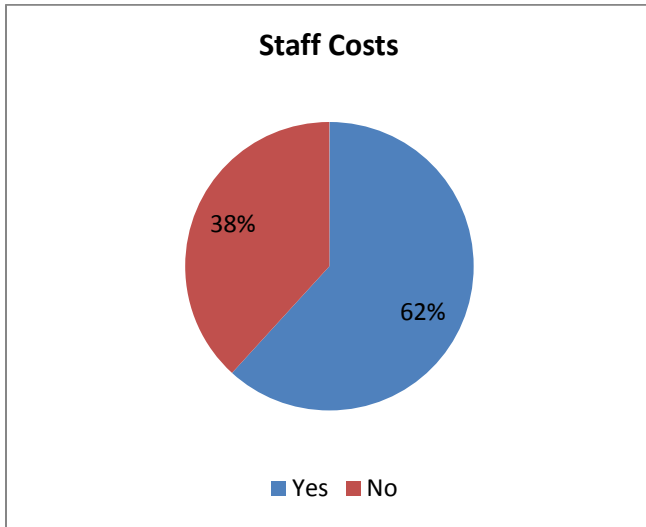
I would not consider this innovative financing (NH).

Soft or In-Kind Match

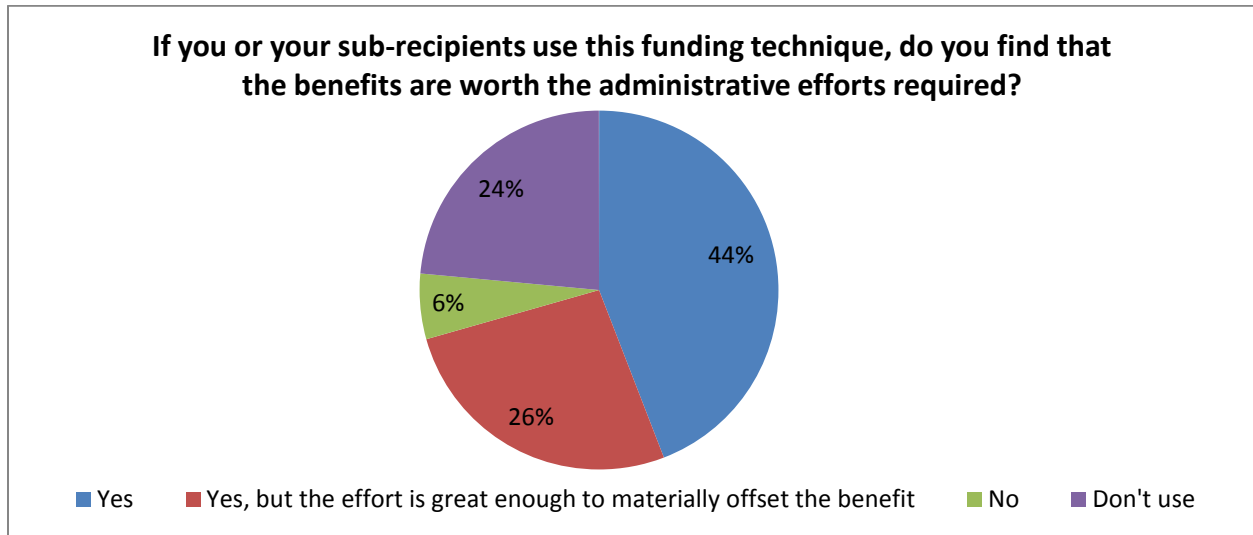
5.



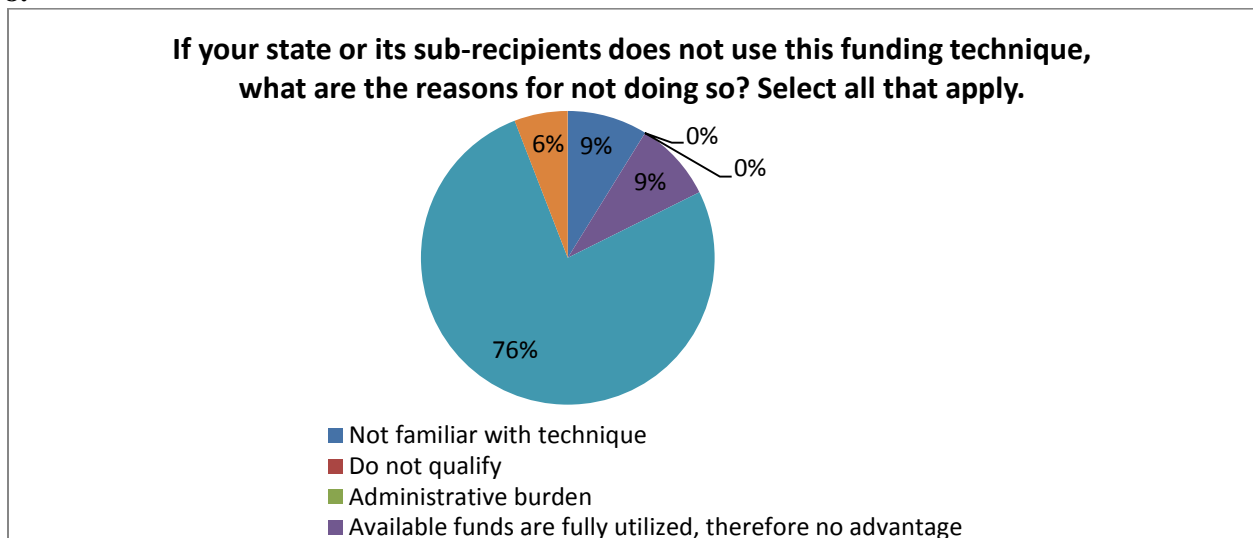
6. Has your state or its sub-recipients used this funding technique?



7.



8.



Other

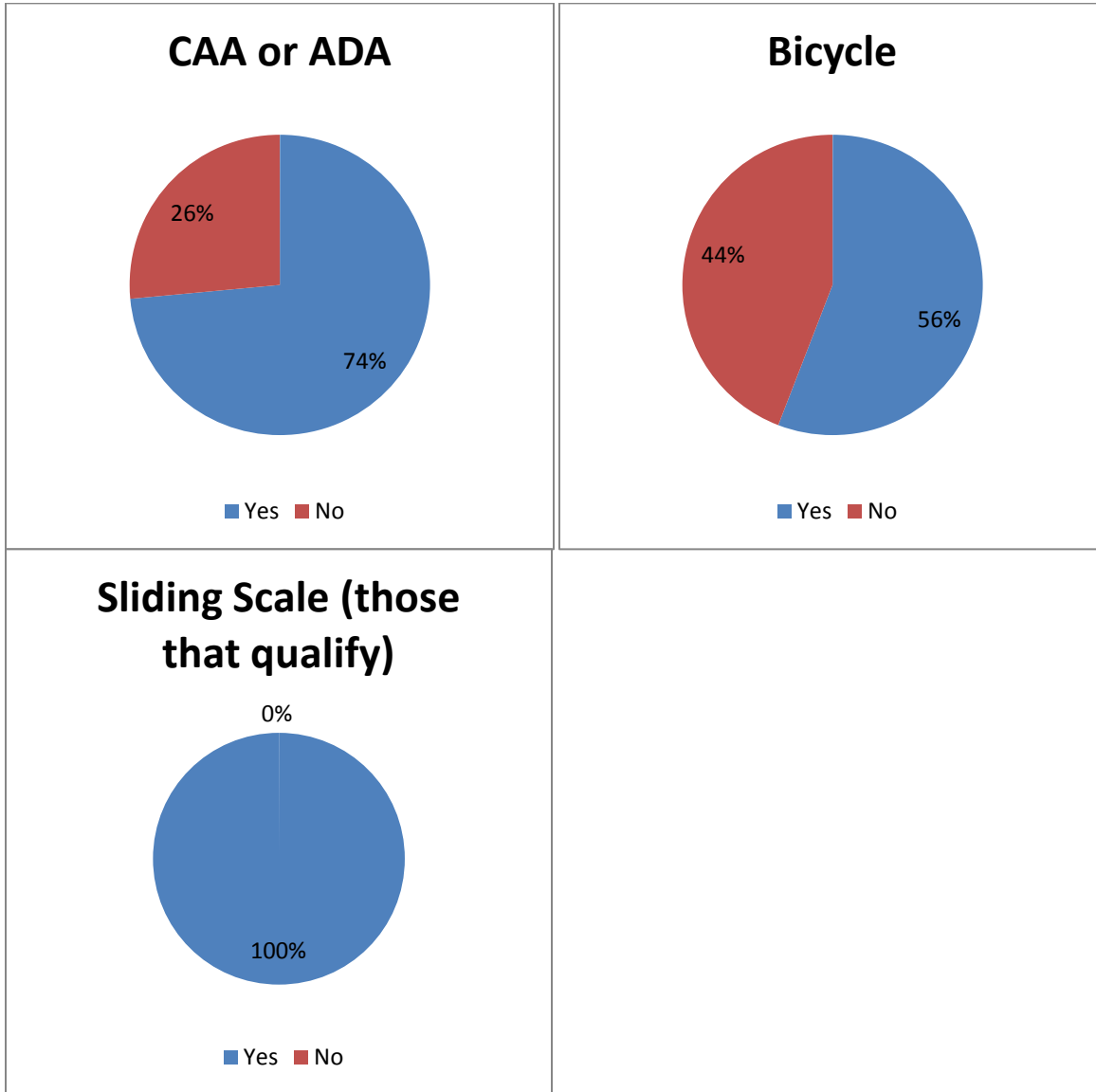
Have not had an eligible project lately (IA).

Section 5311 sub-recipients receive in-kind for vehicle maintenance, office space, and other administrative costs (OH)

Lack of clear guidance on some types of in-kind match (NH)

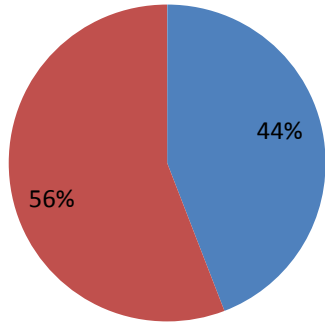
Higher Federal Share Available

9. Are you familiar with the following funding techniques?



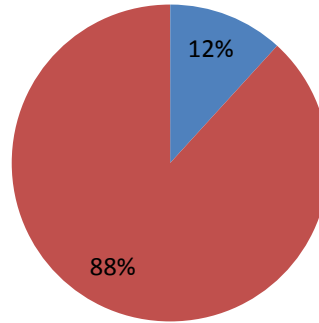
10. Has your state or its sub-recipients used the funding techniques listed below?

CAA or ADA



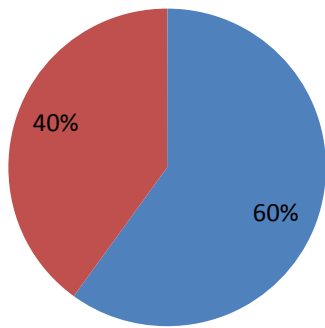
■ Yes ■ No

Bicycle



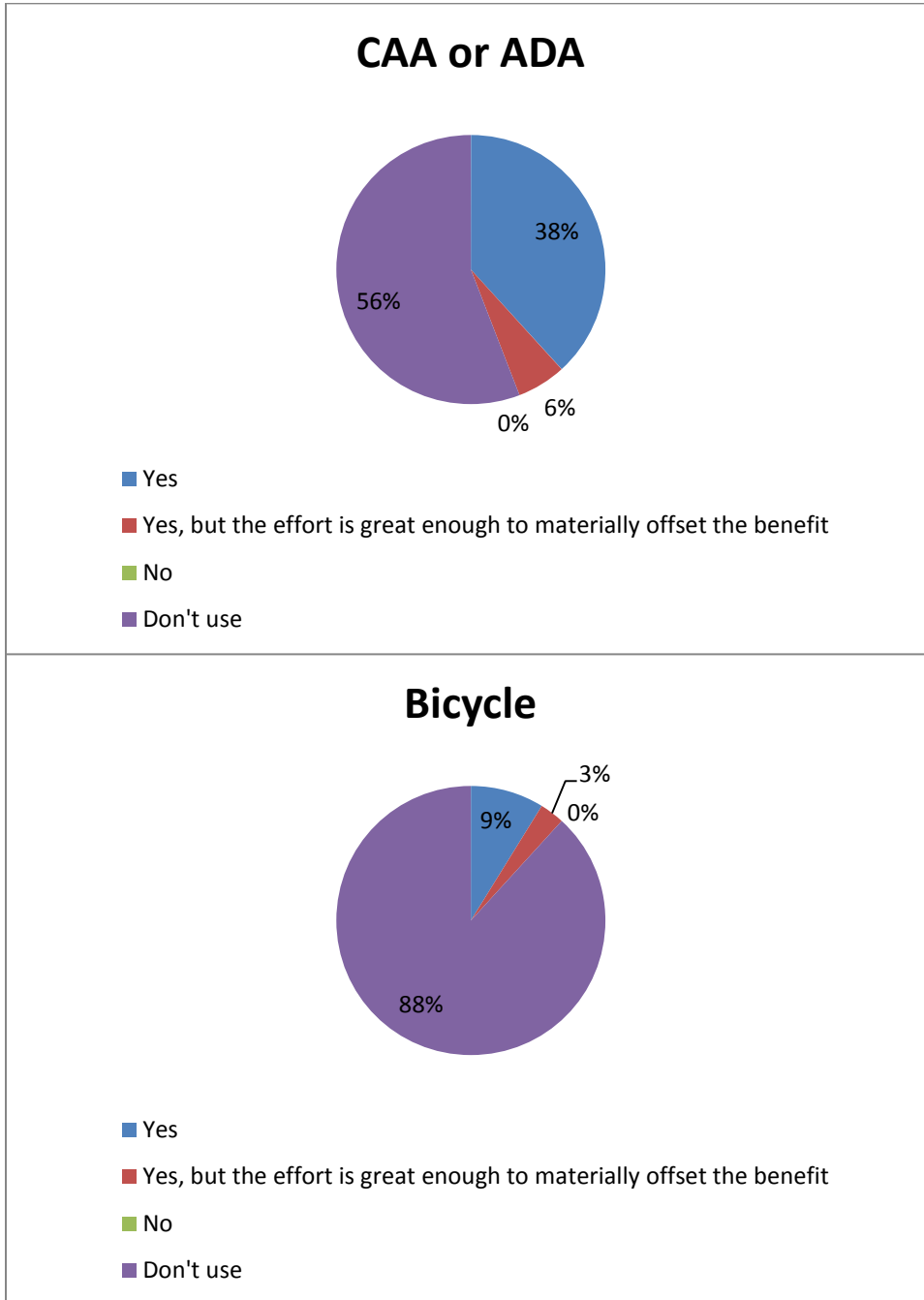
■ Yes ■ No

Sliding Scale

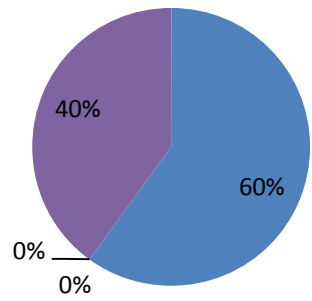


■ Yes ■ No

11. If your state or its sub-recipients use any of these funding techniques, do you find that the benefits are worth the administrative efforts required?

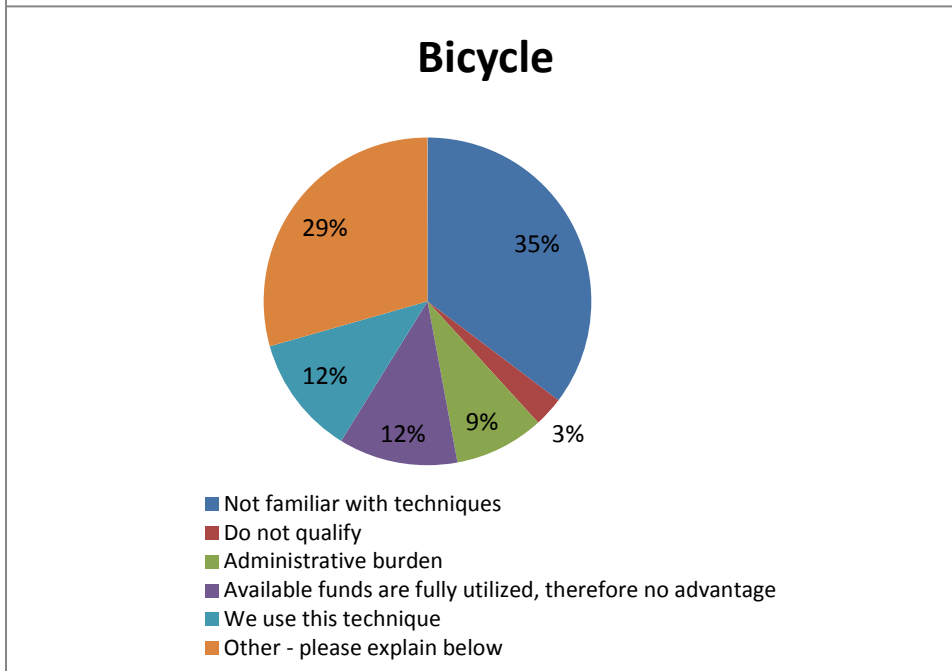
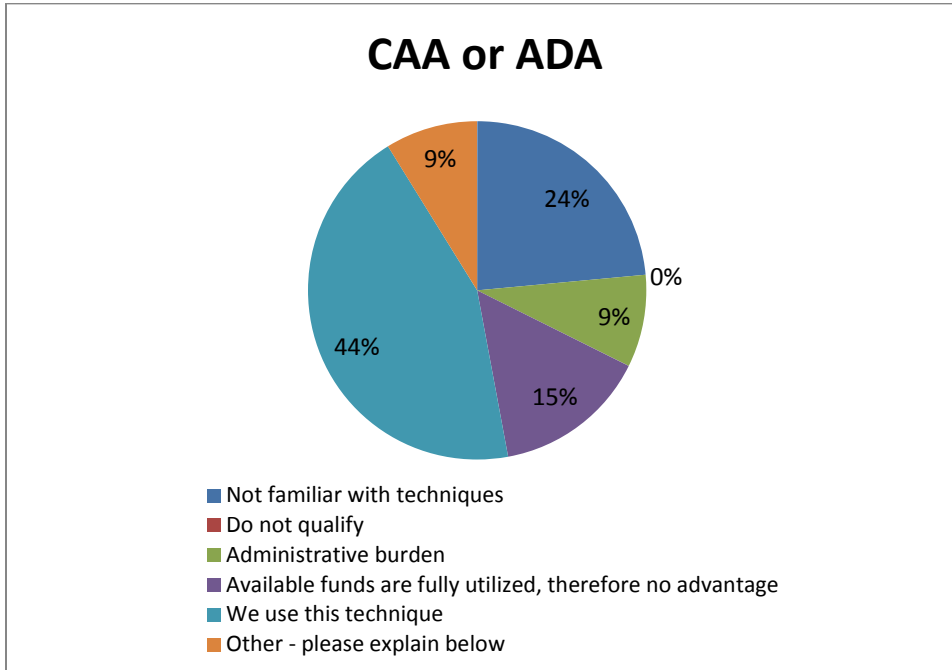


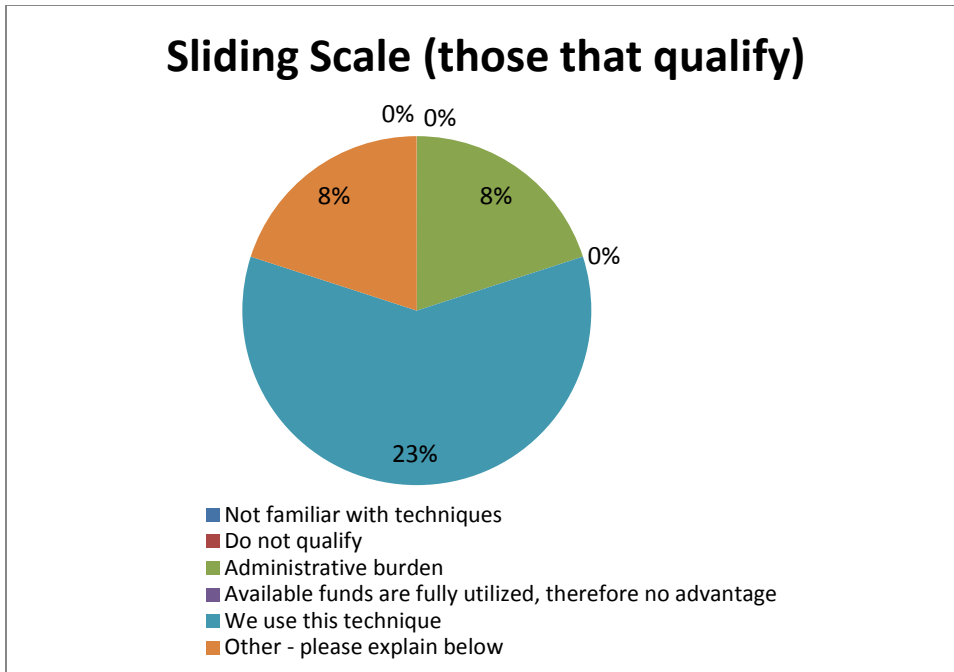
Sliding Scale (those that qualify)



- Yes
- Yes, but the effort is great enough to materially offset the benefit
- No
- Don't use

15. If your state and its sub-recipients do not use this funding technique for transit, what are the reasons for not doing so? Select all that apply.





Other

No bicycle projects programmed or proposed (MO).

Equipment fully funded by local donations (IA).

Just really isn't an area which has come up (No state listed)

The use of this funding technique varies by program. ODOT uses all available funding and therefore does not use this technique on ODOT administered programs. However, Section 5307 Direct Recipients do use this funding technique (OH).

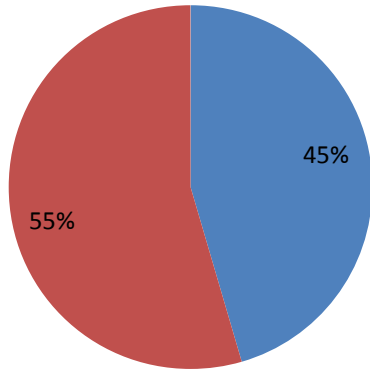
They are not handled by the Multimodal division, programming office (No state listed).

State is on sliding scale, too close to the 90% for benefit. 5307 may use (OR).

Hope to implement in the next year (NV).

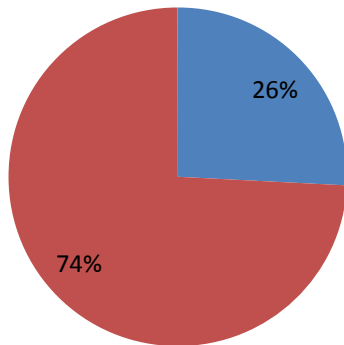
**Transportation Development Credits (formerly known as Toll Credits)
13.**

Are you familiar with the funding technique listed above?



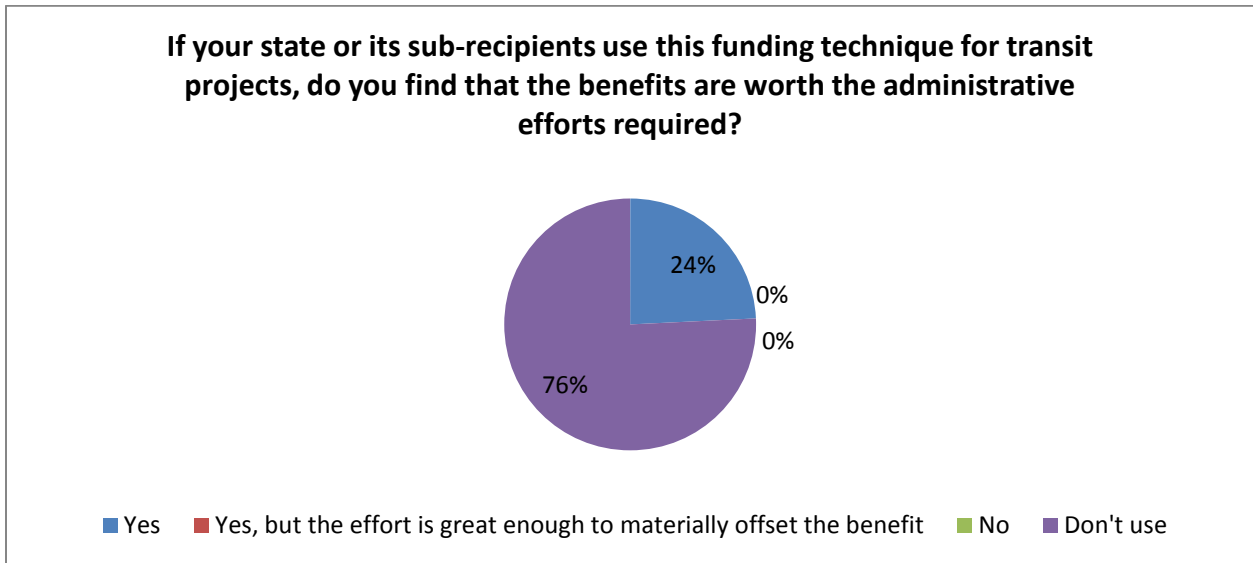
■ Yes ■ No

Has your state, or its subrecipients used this technique for transit projects?

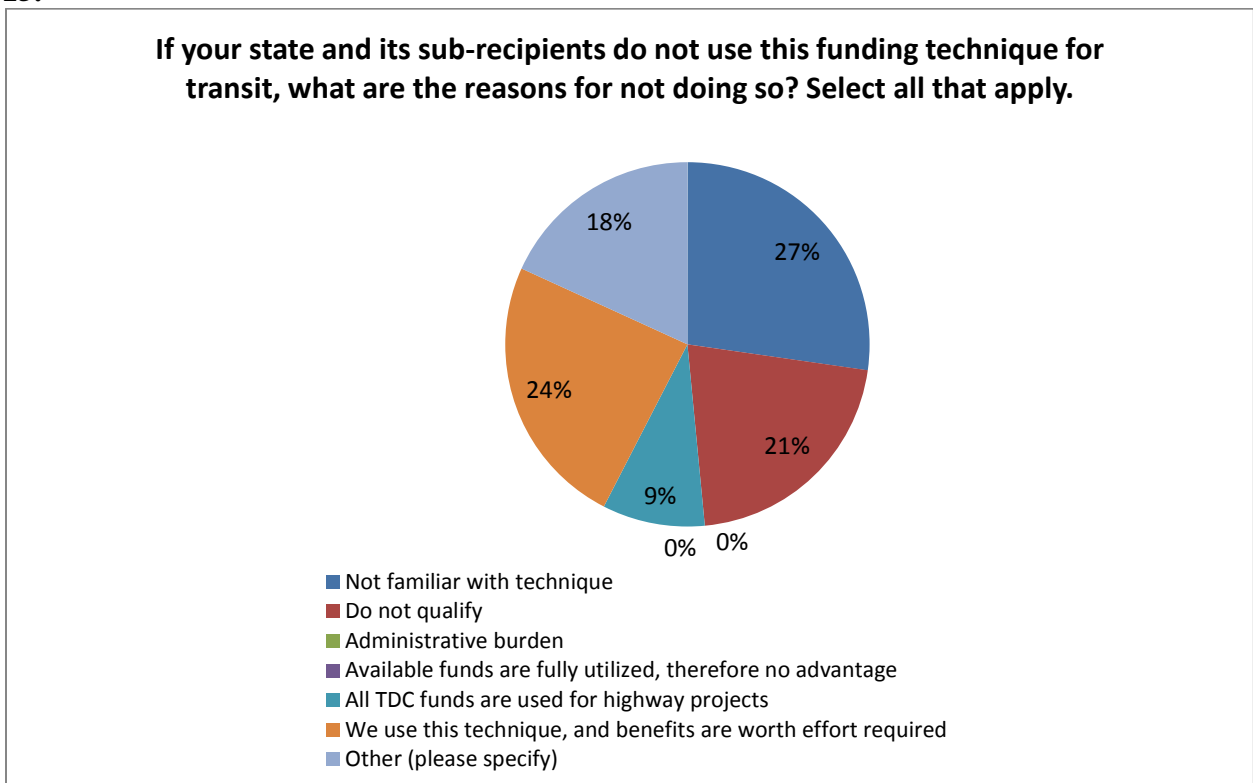


■ Yes ■ No

14.



15.



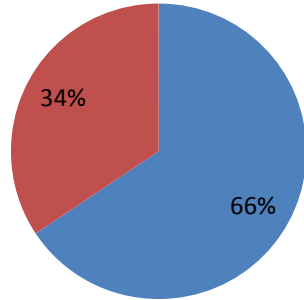
Other

DOT collects tolls and hasn't put the toll credits on transit projects (VA)

No tolls available (IA, OR, WY)

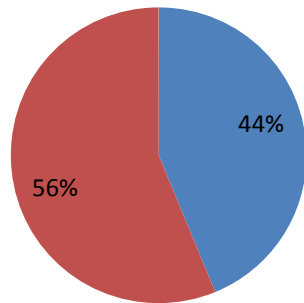
Using 5307 Formula Funds for up to 50% of the Cost of the Purchase of Service

Are you familiar with the funding technique listed above?



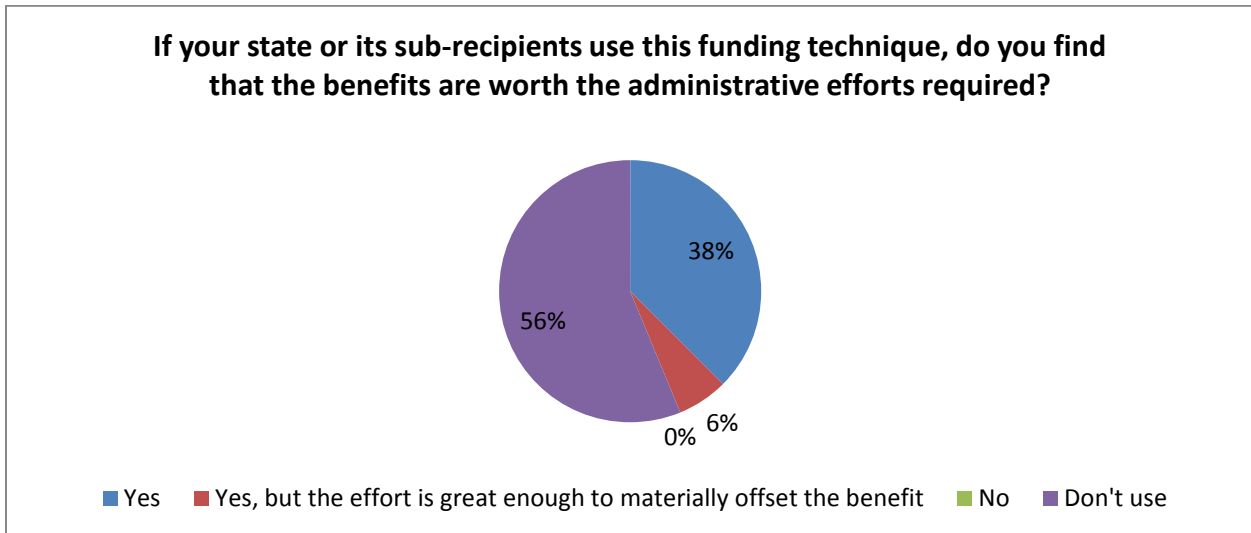
■ Yes ■ No

Has your state or its sub-recipients used this funding technique?

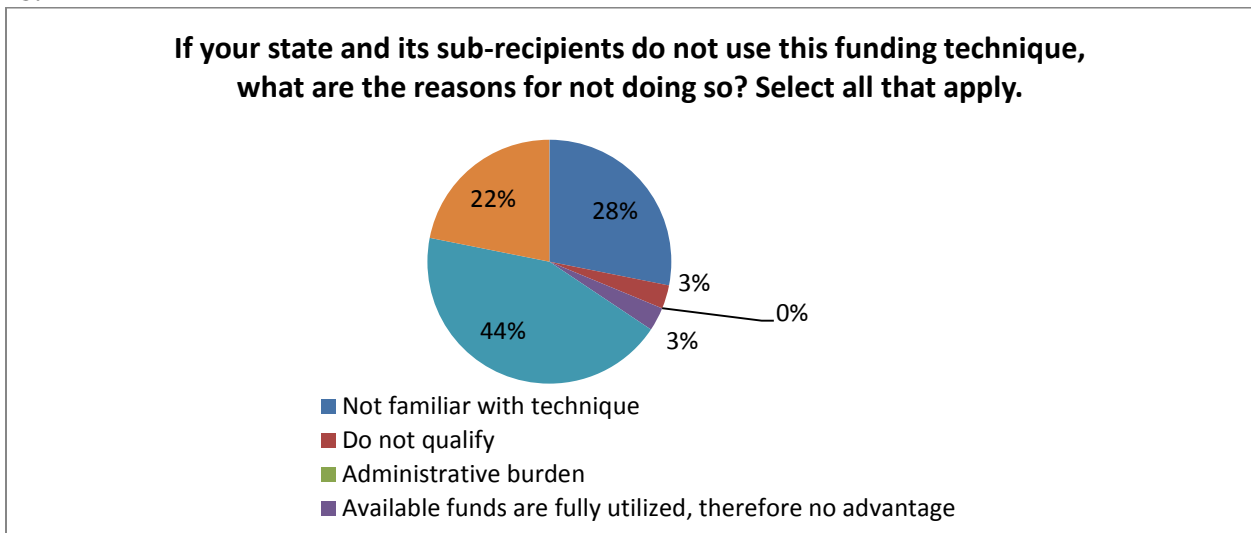


■ Yes ■ No

17.



18.



Other

I do not have the prior historical information for Keyline/City of Dubuque (IA).

The DOT does not administer the 5307 program (No state listed)

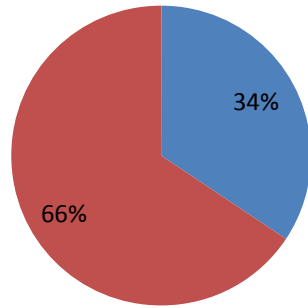
The Ohio Department of Transportation does not receive Section 5307 Formula funds directly. However, the Section 5307 Direct Recipients in Ohio do use this funding technique (OH).

We do not manage the 5307 program at the DOT (TX).

I do not work with 5307 funds (SD).

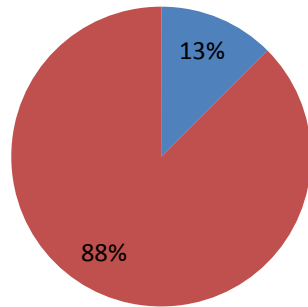
**Interagency Coordination of Over-Match
19.**

Are you familiar with the funding technique listed above?



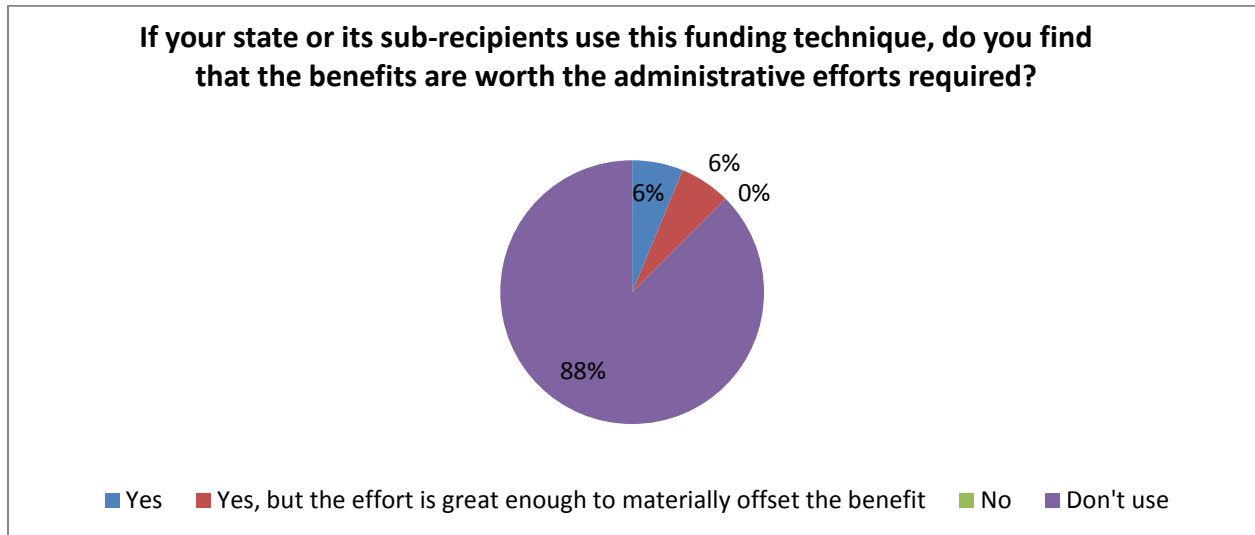
■ Yes ■ No

Has your state or its sub-recipients used this funding technique?

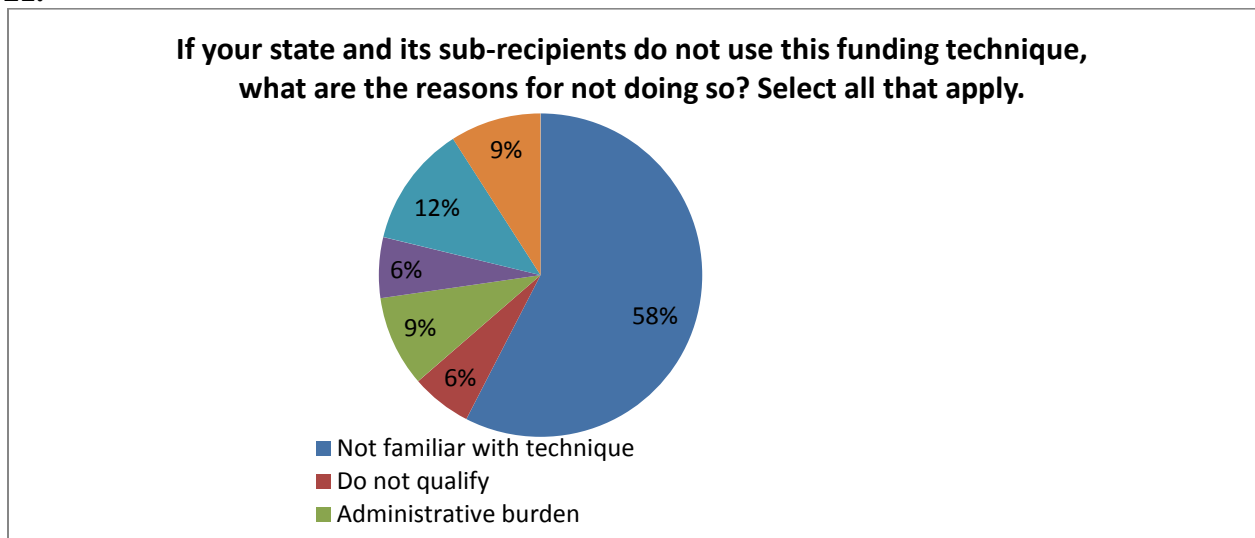


■ Yes ■ No

20.



21.



Other

We've simply not utilized this technique, but interested (TX).

Lack of staff resources to do the analysis (No state listed).

22. Are there other funding or financing techniques that your state or sub-recipients use that were not mentioned in this survey? If yes, please describe.

Local dedicated taxes such as transportation sales taxes for capital improvements and transit sales taxes for any transit purpose (MO).

As a new Director at Keyline/City of Dubuque I am not yet familiar with some of the funding techniques they have used in the past (IA).

We use a local tax levy to provide match for our small urban operation. We assess a local fee to provide match for our rural operation (IA).

ODOT has provided FHWA funds to Section 5307 Direct Recipients ADA expenses, vehicle purchases, alternative fuel, construction and other eligible projects. In addition, Section 5307 Direct Recipients projects have been funded through their MPO (OH).

Sliding scale, capital cost of contracting, lease vs. purchase (TX).

Allowance of certain other federal programs to be used as match. example TANF and Indian Road funds (OR).

State Infrastructure Banks (TX).

Local Mobility Banks A Local Mobility Bank is a book entry through which the local share for qualified projects would be deposited. The local share would then receive a credit on the books of the Local Mobility Bank which would be utilized to support the local match requirement for other federal and state funded projects. Qualified land value and Transportation Development Credits may also be deposited into the Local Mobility Bank to build up, if any, excess local share credit (TX).

23. Who in your state would be most familiar with the techniques listed throughout this survey. Please list one or more people, including their contact information, and the techniques they are most familiar with.

| Name | Title | Organization | Email | Phone | Technique familiar with |
|--------------------|---|--|-----------------------------------|--------------------|--|
| Bobby Killebrew | Deputy Director | Texas DOT, Public Transportation Division | Bobby.Killebrew@TxDOT.gov | 512-374-5232 | All listed in survey |
| Brad Miller | General Manager | Des Moines Area Regional Transit Authority | bmiller@ridedart.com | 515-283-8115 | Use of 5307 to offset maintenance, contracting, and ADA |
| Brian Schoon | Transit Director | INRCOG | bschoon@inrcog.org | 319-235-0311 | |
| Bruce Lindholm | Program Manager | SDDOT | bruce.lindholm@state.sd.us | 605-773-7045 | in kind match, sliding scale |
| Christopher Morgan | Administrator | NH DOT | cmorgan@dot.state.nh.us | | |
| CURT MILLER | DIRECTOR, AIRPORT/TRANSIT/FLEET, IPTA PRES. | CITY OF SIOUX CITY, IOWA | cmiller@sioux-city.org | 712-2796408 | MOST LISTED |
| David Spacek | Acting Deputy Director | Illinois Department of Transportation | david.spacek@illinois.gov | 312-793-2154 | Transportation Development Credits |
| Dinah Van Der Hyde | Senior Policy Analyst | Oregon Department of Transportation, Public Transit Division | dinah.vanderhyde@odot.state.or.us | 503-986-3885 | Transit programs and financing |
| Earl | Transportation Director | NEICAC-Transit | earl@neicac.org | 563-382-4259 | |
| Ed Holm | Operations Manager | INRCOG | eholm@inrcog.org | 319-235-0311 | |
| Erik Steavens | Division Director | Georgia DOT - Intermodal Programs | esteavens@dot.ga.gov | 404-347-0573 | Toll Credits |
| Joshua Gearhardt | Public Transit Manager | Ohio Department of Transportation, Office of Transit | joshua.gearhardt@dot.state.oh.us | 614-644-7362 | In-Kind, Over Match |
| Kim Johnson | Manager | Michigan DOT | johnsonki@michigan.gov | 517-373-8796 | all |
| Kimberly Gayle | Office Chief, Federal Transit Programs | Caltrans Division of Mass Transportation | Kimberly.Gayle@dot.ca.gov | 916-654-8074 | Transportation Development Credits/In Kind Match |
| Kristin Harr | | IDOT | Kristin.Haar@dot.iowa.gov | | |
| Marianne E. Freed | Administrator | Ohio Department of Transportation, Office of Transit | marianne.freed@dot.state.oh.us | 614-466-7084 | Toll Revenue Credit, Maintenance, Over Match |
| Michelle McEnany | Director | IDOT-Office of Public Transit | michelle.mcenany@dot.iowa.gov | 515 239 1659 | all |
| Michelle McEnany | Transportation Director | Iowa Department of Transportation | michelle.mcenany@dot.iowa.gov | 515-239-1659 | |
| Pam Lee | | Iowa DOT | Pamella.Lee@dot.iowa.gov | 515-239-1872 | Probably Most |
| Pamela Lee | | IDOT | Pamella.Lee@dot.iowa.gov | | |
| Pamella Lee | Transit Programs Manager | Iowa Department of Transportation Office of Public Transit | pamella.lee@dot.iowa.gov | 515-239-1872 | all |
| Pamella Lee | TPA | Office of Public Transit, Iowa DOT | Pamella.Lee@dot.ia.gov | 515-239-1872 | Procurements, etc. |
| Pamella Lee | Grant Administrator | Office of Public Transit | Pamella.Lee@dot.iowa.gov | 515-239-1872 | Any and all |
| Pamella Lee | Transit Program Manager | IDOT-Office of Public Transit | pamella.lee@dot.iowa.gov | 515-239-1872 | all |
| Robert | Shawver | Rhode Island Dept. of Transportation | rshawver@dot.ri.gov | 401-222-2023 x4224 | toll credits |
| Seth Budge | Management Analysts Supervisor 2 | Ohio Department of Transportation, Office of Transit | seth.budge@dot.state.oh.us | 614-466-7456 | Toll Revenue Credit, Maintenance, In-Kind, Higher Federal Share, Cost of Purchased Service |
| Shelley Winters | Public Transportation Administrator | NH DOT | swinters@dot.state.nh.us | | |
| Shirley Tarwater | Senior Multimodal Operations Specialist | Missouri Dept. of Transportation | Shirley.Tarwater@modot.mo.gov | 573-751-7481 | Soft match of staffing / volunteer services |
| Steve Kish | Transit Program Manager | Georgia DOT - Intermodal Programs | skish@dot.ga.gov | 404-631-1237 | All except Toll Credits |
| Tom Gottfried | Planning Director | Minnesota Department of Transportation | tom.gottfried@state.mn.us | 651-366-4171 | Section 5307, 5309, 5310, 5311, 5316 and 5317 |
| Trish Giomi | Transit Coordinator | Nevada Department of Transportation | | | |
| Vicki Robrock | Director | Coralville Transit | vrobrock@ci.coralville.ia.us | 319-248-1790 | all |

24. Please tell us about yourself

| Name | Position/Job Title | State | Phone Number | Email Address | Would you be willing to participate in a more detailed phone interview? | Do you think that your state would make an interesting case study to the success or lack of success in using innovative techniques to match federal dollars for public transportation projects? | If yes, please explain. |
|-------------------------|--|-------|---------------------|-----------------------------------|---|---|---|
| Andrea Brush | Unit Supervisor | MI | 517-335-2534 | brusha@michigan.gov | No | No | |
| Barbara Morck | Director of Transit Operations | IA | 563-589-4196 | bmorck@cityofdubuque.org | No | No | Unknown, actually. |
| Bob Kuskowski | Transit Director | IA | | bkuskowski@seirpc.con | No | Yes | |
| Bobby Killebrew | Deputy Director, Public Transportation Division | TX | 512-374-5232 | Bobby.Killebrew@TxDOT.gov | Yes | Yes | we have utilized purchase of service and transportation development credits for several years. |
| Brad Miller | General manager | IA | 515-283-8115 | bmiller@ridedart.com | Yes | Yes | |
| Brian Schoon | | IA | 319-235-0311 | bschoon@inrcog.org | Yes | Yes | |
| Bruce Lindholm | | | | | Yes | No | |
| Christopher Morgan | Administrator | NH | 603-271-2468 | cmorgan@dot.state.nh.us | Yes | | |
| Curt Miller | Airport/Transit/Fleet Director, City of Sioux City | IA | 712-279-6405 | cmiller@sioux-city.org | No | No | |
| David Spacek | Acting Deputy Director | IL | 312-793-2154 | david.spacek@illinois.gov | Yes | No | |
| Dennis Hart | Superintendent of Fleet & Transit | IA | 563 242 3721 | dennishart@ci.clinton.ia.us | No | Yes | |
| Dinah Van Der Hyde | Senior Policy Analyst | OR | 503-986-3885 | dinah.vanderhyde@odot.state.or.us | Yes | Yes | Examples from Oregon could be TriMet use of in-kind for light rail development. Rural intercity bus program expansion using in-kind match from private partner. Extensive use of Oregon sliding scale match of .8973 federal share for capital and .53% share for operations has made important difference. |
| Doug Roelfs | Transit manager | IA | 319-753-8171 | roelfsd@burlingtoniowa.org | No | Yes | We have enough diversity between the different transit systems that we can compete well at a national level for funding. |
| Earl | Transportation Director | IA | 563-382-4259 | earl@neiacac.org | No | | |
| Jane Miller | Public Transit Manager | OH | 614-644-8054 | jane.miller@dot.state.oh.us | Yes | No | |
| Jeff Harcum | Transit Operations Supervisor | IA | 712-224-5157 | jharcum@sioux-city.org | No | Yes | Innovative funding techniques for public transit grant match is a constant need. Because all 99 Counties are provided service, collaborative efforts would help with meeting match requirements. Innovative funding packages would enlarge opportunities. |
| Kevin Kramer | Transit Administrator | IA | 641-423-0491 | kkramer@niacog.org | No | No | |
| Michelle Gardner-Lilley | Transit Manager | NV | | | No | No | Generally are able to utilize all of our funding. |
| Pam Ward | Transit Administrator | IA | 641-683-0695 | pamota1015@pcsia.net | Yes | Yes | Unsure what other local operations do that would qualify as innovative techniques. |
| Richard Stone | Trasnit Administrator | IA | 641-754-5719 | rstone@ci.marshalltown.ia.us | No | Yes | If these sources are being used, more promotional activities should encourage small city transit managers like myself. |
| Robert Shawver | Administrator, Planning & Finance Division | RI | 401-222-2023 x 4224 | rshawver@dot.ri.gov | No | No | |

| | | | | | | | |
|-----------------|--|----|--------------|-------------------------------|-----|-----|---|
| Same | | CA | | | Yes | Yes | California is a large diverse state. Many of the innovative techniques are already applied here and will provide good case studies. |
| Sheri Kyras | Transit Director - Ames Transit Agency | IA | 515-239-5563 | skyras@cyride.com | No | No | |
| Steve Kish | Transit Program Manager | GA | 404-631-1237 | skish@dot.ga.gov | Yes | No | |
| Steven Billings | Administrator of Transit | MO | 573-751-2523 | Steven.Billings@modot.mo.gov | Yes | No | Missouri probably does not fit the category of being "innovative" in local match in that for the vast majority of projects we are looking at "cold hard cash" for matching funds. |
| Terry Brown | Manager of Financial Programming | VA | 804-786-1722 | terry.brown@drpt.virginia.gov | No | No | |
| Tom Gottfried | Greater Minnesota Transit Program Director | MN | 651-366-4171 | tom.gottfried@state.mn.us | Yes | No | |