

6.0 FINANCIAL PLAN

The ability to maintain, improve and enhance transportation facilities and services in the MTPO area depends on adequate financial resources. This section describes the various revenue sources available to the MTPO (through its member jurisdictions) for transportation projects, a summary of the MTPO area’s historic transportation revenue trends, and a forecast of anticipated revenue for the region during the plan horizon. The section concludes with a demonstration of fiscal constraint (i.e. demonstrating that transportation operations, maintenance, and recommended capital investments can be afforded and adequately maintained into the future).

Financial assumptions were developed in consultation with the City of Topeka, Shawnee County, KDOT Bureau of Program Management, KDOT Bureau of Transportation Planning, and the Topeka Metropolitan Transit Authority (TMTA). Revenue forecasts were developed based on historical and existing funding levels and anticipated inflationary factors.

Overview of Funding Sources

Funding for transportation facilities and services comes from a variety of sources – federal, state, local, and private. This section provides a brief description of the funding sources and categories that are available for transportation expenditures within the MTPO area.

Federal

There are numerous federal transportation funding categories that are available to MPO areas. Table 6-1 provides a summary of these major federal funding categories.

**Table 6-1
Federal Transportation Funding Programs**

Federal Programs	Description	Funding Ratio
Surface Transportation Program - Bridge (STP Bridge)	Provides funding for on-system bridge replacement, or to rehabilitate aging or substandard bridges based on bridge sufficiency ratings.	80% Federal, 20% Non-Federal
Surface Transportation Program – Highway (STP Highway)	Provides funding for roads functionally classified as rural major collector and above. Funds may be utilized on projects in Rural Areas, Urbanized Areas, Small Urban Areas, Enhancement, Safety and Rail-Highway Crossings.	80% Federal, 20% Non-Federal
Surface Transportation Program – Safety (STP Safety)	Provides funding for making safety improvements on any federal-aid system.	90% Federal, 10% Non-Federal
Transportation Enhancement – Set Aside of STP (TE or ENH)	Provides funding for 12 exclusive activities such as bicycle and pedestrian facilities, rehabilitation and restoration of historic transportation related structures, and environmental mitigation to address water pollution due to highway runoff.	80% Federal, 20% Non-Federal
National Highway System (NHS)	Provides funding for major roads including the Interstate System, a large percentage of urban and rural principal arterials, the Strategic Defense Highway Network (STRAHNET), and strategic highway connectors.	80% Federal, 20% Non-Federal
Interstate Maintenance (IM)	Provides funding to rehabilitate, restore, and resurface the Interstate System. Reconstruction is also eligible if it does not add new capacity, with the exception of High-Occupancy-Vehicle (HOV) lanes or auxiliary lanes in non-attainment areas, which can be added.	90% Federal, 10% Non-Federal

HIGH PRIORITY PROJECTS SET ASIDE OF SAFETEA (HPP)	Provides designated funding for specific projects identified by Congress.	80% Federal, 20% Non-Federal
Federal Transit Administration (FTA-5307)	Funds for public transit operations in urbanized areas are provided through the Section 5307 program. The funds are directly apportioned by statutory formula to Kansas City and Wichita. The State receives the funds for the other urban areas and passes those funds through. Section 5307 funds can be used for capital and operating assistance. In areas without public transit, the funds may be used for planning purposes or they can be transferred to other transit programs.	80% Federal, 20% Non-Federal (Capital) 50% Federal, 50% Non-Federal (Operating)
Federal Transit Administration (FTA-5309)	The funds in this program are for discretionary capital investment grants to public bodies and agencies. Funds from this program are awarded through Congressional earmarks. This assistance is available for the purchase of vehicles and vehicle-related equipment and facility construction or renovation.	80% Federal, 20% Non-Federal
Federal Transit Administration (FTA-5310)	The Section 5310 program provides capital assistance to transport the elderly and persons with disabilities. The funds are apportioned by statutory formula to the State and are then programmed to the private non-profit organizations which provide the services.	80% Federal, 20% Non-Federal
Federal Transit Administration (FTA-5311)	Capital and operating assistance for transportation services in non-urbanized areas is provided through the Section 5311 program. The funds are apportioned by statutory formula to the states for allocation to local units of government and private, non-profit organizations in rural and small urban areas of less than 50,000 population, which provide transportation services to the general public.	80% Federal, 20% Non-Federal
Federal Aviation Administration Program (FAA)	These funds are used for statewide grants to Kansas air carrier and general aviation airports and can cover up to 90 percent of the total cost of airport projects, depending on the type of project. Eligible projects include: Safety Projects, Airside Improvement and Enhancement Projects, Landside Improvement and Enhancement Projects, and Planning Projects.	Varies – Federal and Non-Federal

State and Local

The revenues to maintain and improve the State Highway System are obtained from several sources. In addition to Federal transportation funds, the major State sources of revenues to the State Highway Fund are motor fuel taxes, motor vehicle registration fees, sales and compensating use tax, and driver's license fees.

The State provides direct funding to cities and counties for highway and road construction and maintenance through the **Special City and County Highway Fund** and the **County Equalization and Adjustment Fund**. The source of this revenue is motor fuel tax receipts and motor carrier property taxes. Each county initially receives \$5,000 from the county distribution of the 57 percent of the **Special City and County Highway Fund**. The remainder of the county apportionments are distributed to the counties based on the following factors:

- 1) Vehicle registration fees (44.06 percent);
- 2) Average daily vehicle miles traveled (44.06 percent); and
- 3) Total road miles in each county (11.88 percent).

In 13 Kansas counties, the revenue received by the county from the Special City and County Highway Fund is required to be divided between the **County Road and Bridge Fund** and the cities within the county. The required distribution to the cities ranges from 10 percent to 90 percent of the counties' total revenue from the fund. The distribution in Shawnee County to its County Road and Bridge Funds is 50 percent. The distribution to each city is determined based on the ratio of the city's population to the total population of all cities in the county.

The **County Equalization and Adjustment Fund**, as previously mentioned, receives a transfer of \$625,000 per quarter from the Special City and County Highway Fund. On April 15th, the County Equalization and Adjustment Fund's total annual amount of \$2.5 million is distributed to the counties. This Fund was established to guarantee that each county would receive no less than the amount received in the base year. In order to "equalize" the distribution, counties are reimbursed the difference of their total Special City and County Highway Fund amount minus their disbursements in the base year. Following the reimbursement for the "shortfall" to each county, any remaining funds are distributed proportionally to the counties based on three factors: motor vehicle registration fees, average daily vehicle miles traveled, and total road miles. The Comprehensive Transportation Program guaranteed that under the County Equalization and Adjustment Fund no county would receive less than it did in fiscal year 1999.

Table 6-2 provides a summary of these major funding sources which are used for transportation in Kansas and within the MTPO area.

**Table 6-2
Kansas Transportation Funding Programs**

State Funding Sources – Kansas	
Motor Fuels Tax	The ten-year average of motor fuels tax receipts: 64.4% to the State Highway Fund and 35.6% to the Special City & County Highway Fund. Interstate Motor Fuel (Diesel) – taxed at \$0.26 per gallon. Gasoline – taxed at \$0.24 per gallon. Liquefied Petroleum – taxed at \$0.23 per gallon.
Various State Funds	In addition to the Motor Fuels Tax, the following state revenues provide funding for transportation improvements. These revenue sources include: Vehicle Registration Fees, Sales Tax Direct Deposit, Sales Tax Transfers, Driver License Fees, and Bond Proceeds.
Federal Funds	Federal funds are made up of: 19.3% KDOT FHWA Obligation Authority, 4.6% Local FHWA Obligation Authority, 1% FHWA, FTA, NHSTSA.
Local Funding Sources	
Special City and County Highway Fund	This fund receives a portion of the motor fuel tax revenues, subsequent to refunds and a deposit of \$3.5 million to the Kansas Qualified Agricultural Ethyl Alcohol Producers Incentive Fund, and all motor carrier property tax revenues. These revenues are distributed to the various cities and counties in the state for the financing of county roads and city street construction and maintenance.
County Equalization and Adjustment Fund	The purpose of this fund is to assure that after distribution of the receipts of the Special City and County Highway Fund, each county receives in total at least the amount received from that fund and this fund in fiscal year 1999.
County Sales Tax	A portion of the County sales tax is used to pay for capital improvements and operations and maintenance.
County General Fund	A portion of Shawnee County's General Fund revenue is set aside to pay the 20% local match needed for STP Highway and STP Bridge funds allocated to the County by KDOT.
City General Obligation Bonds	The amount of General Obligation Bond funding for roadway and bridge projects is an amount set by the Topeka City Council after review by the City Budget Director. This funding is used to match federal aid projects and to fund other projects as determined by the Council. Maximum obligational bond authority is \$3.6 million annually.

Historic Transportation Revenue Trends

As previously described, numerous revenue sources provide funding for transportation in the MTPO area. These revenue sources have provided and will continue to provide a reliable stream of funding for transportation infrastructure and services in the MTPO area.

Roads & Bridges

Table 6-3 provides a historic perspective of transportation revenues in the MTPO area over a four year period from several of the largest revenue sources for transportation expenditures in Shawnee County and the City of Topeka. Additional funds come from local property taxes and retail sales taxes; however, the actual amount of these two sources spent on transportation needs can vary significantly from year to year based on local government program and project decisions.

**Table 6-3
Summary of Historic Local O&M Transportation Revenues**

Shawnee County	2001	2002	2003	2004	Annual Average (4-Year Period)
Special Highway Revenue	\$1,805,716	\$1,654,242	\$1,435,000	\$1,365,225	\$1,565,046
Motor Vehicles Tax	\$6,463,465	\$6,081,378	\$7,154,246	\$7,348,666	\$6,761,939
City of Topeka	2002	2003	2004	2005	Annual Average (4-Year Period)
Street Fund	\$5,544,687	\$5,320,394	\$4,937,152	\$6,290,577	\$5,523,203

Note: Years provided reflect most readily available data
Source: Shawnee County Operating Budget, City of Topeka Operating Budget.

These revenues largely fund the maintenance and operations of the local transportation system. Maintenance and operating costs generally include paving, signs and painting, right-of-way maintenance, traffic signal maintenance, surveillance and inspection, street lighting, and other various repairs and minor modifications to streets, bridges, sidewalks, and intersections in a maintenance capacity.

In addition to these local funds for maintenance and operations, the Kansas Department of Transportation (KDOT) annually expends approximately \$7.9 million within the MTPO area for capital and maintenance activities. These revenues are for activities on state highways and bridges throughout the MTPO's urbanized area and Shawnee County. There are four program categories in KDOT's Comprehensive Transportation Program (CTP): Substantial Maintenance; Major Modification; Priority Bridge; and System Enhancement. Within each of these major categories are funding and/or project-type subcategories. The following is a brief description of each category and the respective activities:

- **Substantial Maintenance** projects, the first major component, are intended to protect the traveling public and the public's investment in its highway system by preserving the "as built" condition as long as possible. These projects are financed with funds that are reserved (or set aside) for specific purposes. Substantial Maintenance funding provides for non-interstate resurfacing, interstate resurfacing, City Connecting Link (KLINK) resurfacing, contract maintenance, safety projects, emergency repair, bridge and culvert repair, bridge painting, signing, pavement marking, and lighting.
- The **Major Modification Program** is the second major component of the fiscal year 2000-2009 CTP. It is designed to improve the service, comfort, capacity, condition, economy, or safety of the existing system. It includes a number of set-aside programs including: Economic Development; Geometric Improvement; the Federal-Aid Railroad/Highway Crossing and Safety programs; Guard Fence Upgrades and Railroad Grade Separations; Corridor Management; Railroad Crossing Surfacing; Local Partnership Railroad Grade Separations; and Intelligent Transportation Systems (ITS).
- The **Priority Bridge Program** is the third major component of the 2000-2009 CTP and is designed to replace or rehabilitate substandard bridges. Substandard bridges are those in a deteriorated condition or with deficiencies in load-carrying capacity, width, or traffic service. Special consideration is given to replacing one-lane bridges (bridges with roadway width less than 20 feet), restricted vertical clearance bridges, and cribbed

bridges (bridges with temporary structural supports to keep them in use). Priority Bridge projects are selected using the Bridge Priority Formula. Bridges with the highest relative need are programmed for improvement first within available funding and based on scheduling considerations.

- The **System Enhancement Program** is the fourth major component of the CTP. Legislation authorizing the CTP, House Bill (HB) 2071, provides that the Secretary of Transportation shall include in the CTP “system enhancement projects which include additions to the system of highways or which substantially improve safety, relieve congestion, improve access, or enhance economic development. It is the intent of the Legislature that, as nearly as possible, the amount of \$1.05 billion shall be expended or committed to be expended for the period beginning July 1, 1999, through June 30, 2009.” It also states KDOT “shall utilize the selection methodology developed by the Department to select system enhancement projects.”

Transit

There is one state and four federal public transit funding programs within Kansas for public transportation. State gas tax funds, local property tax funds and transit generated revenue (farebox receipts, advertising, etc.) also contribute to the operations and maintenance and capital expenditures necessary to sustain the transit system.

Funding for the state program is available from the Elderly & Disabled Coordinated Public Transportation Assistance Fund. Under the CTP, the state program provides \$6 million a year for needed transportation in areas of the state lacking service and to expand and enhance existing services.

Federal Transit Administration (FTA) 49 U.S.C. 5311 provides federal monies to support non-urban area (under 50,000 population) transportation programs that serve elderly persons and persons with disabilities while also providing the general public with an equal opportunity to utilize the services. About \$8.0 million is available yearly to Kansas under the program.

FTA 49 U.S.C. 5310 provides federal monies to private nonprofit corporations and associations or public bodies approved by the state to purchase vehicles and related equipment to meet the special transportation needs of elderly persons and persons with disabilities. Urbanized areas and non-urban areas (under 50,000 population) are eligible. About \$1.0 million is available (to areas over 50,000 in population) annually to Kansas under this program.

FTA 49 U.S.C. 5309 is a discretionary capital investment program from which Congress awards earmarks. The MTPO area has historically received approximately \$3 million from these Congressional earmarks every four years. Assistance is available for the purchase of vehicles and vehicle related equipment and/or facility construction and/or renovation. Currently there are four facilities that will be built across the state utilizing 5309 funding.

Formula funds for operations and maintenance are received annually by the Topeka Metropolitan Transit Authority (TMTA) in the form of FTA 49 U.S.C. 5307 (FTA-5307) funds. This assistance has been upwards of \$1.5 million in recent years.

Table 6-4 and Table 6-5 provide a five-year summary of past transit revenues within the MTPO area.

**Table 6-4
Topeka Metropolitan Transit
Historic Capital Funding**

Funding Source	2000	2001	2002	2003	2004	2005	Average
Federal Assistance (FTA-5309)	670,963	556,686	1,786,664	1,969,911	1,025,359	197,834	1,034,570
State Funds	3,582	495,600	419,549	460,462	460,462	460,462	383,353
Local Funds	168,637	139,171	450,666	478,488	196,069	40,175	245,534
Total	\$843,182	\$1,191,457	\$2,656,879	\$2,908,861	\$1,681,890	\$698,471	\$1,663,457

Source: National Transit Database, 2000 – 2005 and KDOT.

**Table 6-5
Topeka Metropolitan Transit
Historic Operations & Maintenance Funding**

Funding Source	2000	2001	2002	2003	2004	2005	Average
Federal Formula (FTA-5307)	1,242,686	1,315,776	1,442,082	1,526,681	1,526,509	1,599,763	1,442,250
Other Federal	133,700	293,800	182,633	246,200	201,700	220,400	182,633
State Funds	598,300	495,600	495,600	419,500	460,500	460,500	488,333
Local Funds	2,172,000	1,843,900	2,001,100	2,145,600	2,092,300	2,181,200	2,072,683
Farebox Revenue	660,158	683,759	751,206	705,316	718,968	787,204	717,769
Total	\$4,806,844	\$4,632,835	\$4,872,621	\$5,043,297	\$4,999,977	\$5,249,067	\$4,903,668

Source: National Transit Database and Federal Register Notices for FTA Fiscal Year Apportionments for FTA-5307.

Air and Rail

Two other transportation funding programs exist within Kansas which provide funds for aviation and railroads throughout the state. These programs include:

Kansas Airport Improvement Program

The goals of the Kansas Airport Improvement Program include:

- preserving and improving the state's airport infrastructure;
- minimizing surface travel time to air ambulance pickup locations;
- increasing safety by improvements to taxiways, ramps, and lighting; and
- enhancing community economic development appeal.

A key element of the program is a matching requirement of between 10 to 50 percent, which is determined by community population. The program's \$3 million per year in state funds, combined with local matching funds, results in \$4 to \$4.5 million in improvements per year. During the first four years of the CTP, the average runway pavement condition in Kansas has improved from a "fair" rating in 1999 to a "very good" rating by 2002. To date, the program has supported 200 projects at 85 public use airports.

Rail Service Improvement Fund

The Rail Service Improvement Fund component of the CTP will receive \$3 million per year for eight years (through State Fiscal Year 2009) and is administered by KDOT's Rail Affairs section. The fund makes low-interest, long-term (ten-year) loans and grants available to short line railroads operating in Kansas to be used primarily for track rehabilitation projects. Funds may also be used for financing and acquisition activities.

Funding Forecast

Historic revenue trends provide a foundation for making realistic projections of potential future funding. This subsection provides a projection of likely funds available for transportation in the MTPO area over the plan horizon based on historic trends. Assumptions on available revenues and assumptions on likely increases in revenues over time were derived from reviewing historic funding levels from revenue sources presented in the above subsection. A further explanation of financial assumptions is presented below.

Roads and Bridges

Table 6-6 and Table 6-7 illustrate the funding availability for roads and bridges for both capital improvements and operations and maintenance within the MTPO area over the plan horizon.

**Table 6-6
Streets & Bridges
Capital Funding Forecast – 2034**

Revenue Sources	Baseline Funding Levels*			Total Projection
	Federal Share	Non-Federal Share	Total	Total (2007-2034)
Surface Transportation Program (STP-Bridge) (80%/20%)	\$1,800,000	\$450,000	\$2,250,000	\$63,000,000
Surface Transportation Program (STP-Highways) (80%/20%)	\$1,600,000	\$400,000	\$2,000,000	\$56,000,000
Surface Transportation Program (STP-Safety) (90%/10%)	\$250,000	\$62,500	\$312,500	\$8,750,000
State (KDOT) Funds (100% State)	\$0	\$1,060,000	\$1,060,000	\$32,703,120
Enhancement Funds (80%/20%)	\$400,000	\$100,000	\$500,000	\$14,000,000
City of Topeka (100% Local)	\$0	\$3,600,000	\$3,600,000	\$100,800,000
Shawnee County (100% Local)	\$0	\$8,000,000	\$8,000,000	\$224,000,000
Total	\$4,050,000	\$13,672,500	\$17,722,500	\$499,253,120

Note: Funding levels are rounded to the nearest hundred thousand.
* Based on actual Fiscal Year 2006 funding levels.

**Table 6-7
Streets & Bridges
Operations & Maintenance (O&M) Funding Forecast – 2034**

Revenue Source	Annual Funding Levels	Total (2007-2034)
	Total	
KDOT	\$ 7,900,000	\$ 221,200,000
City of Topeka	\$ 6,000,000	\$ 168,000,000
Shawnee County	\$ 6,000,000	\$ 168,000,000
Total	\$ 19,900,000	\$ 557,200,000

Note: Funding levels are rounded to the nearest hundred thousand.

Source: KDOT Annual Report, City of Topeka Operating Budget, Shawnee County Operating Budget

Federal Funding Assumptions

The current Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) will end with federal fiscal year 2009. It is assumed that a new federal surface transportation program similar to SAFETEA-LU will be passed for federal fiscal year 2010 and beyond, and that federal funding levels to the MTPO region will continue at current levels. It is also assumed that the major programs of federal funding available to local governments for roadway and bridge projects (STP, BR and Safety) will continue in their current form or something similar. It is assumed that all Interstate Maintenance funds and similar federal funds for KDOT road maintenance will be used in the MTPO area as deemed appropriate by KDOT; but not used for any capacity improvements. It is assumed that the Surface Transportation Program or similar federal program will continue to be the chief federal funding source for locally sponsored roadway capacity improvements.

It is assumed that Congress will pass new surface transportation legislation with a Transportation Enhancement program and that the region will receive funding from that program at levels similar to what our area received between 2000 and 2006.

Lastly, it is assumed that KDOT will continue to share federal funds with local governments at levels similar to the current levels and that KDOT will not significantly increase the amount of federal funding that they keep for their own projects.

State Funding Assumptions

The current Comprehensive Transportation Program (CTP) ends in 2009. This program is a large multi-year funding program designed to make major improvements to the transportation infrastructure around the state and to provide increased funding for transportation projects and services. In addition to the road improvements funded by the CTP, transit, railroad, and aviation projects are also funded.

It is assumed that a new CTP will not be passed by the State Legislature immediately to replace the current program and that there will be a two-year gap before a new program is in place. For the State fiscal year 2010-2011 period it is assumed that 2009 KDOT funding levels will remain in place and that no increases for inflation will take place. It is assumed that no new KDOT funded capacity or major reconstruction projects will be funded in the region during this two-year interim period. Because the MTPO region did not receive any System Enhancement Projects in the CTP which was passed in 2000, it

is expected that the impact from the anticipated future delay in passing a new CTP will be minimal.

Starting with State fiscal year 2012, it is assumed that a new CTP will be in place and that the region will obtain some level of KDOT funding for major roadway capacity projects. The level of funding for KDOT roadway and bridge projects in the MTPO area is assumed to be at a level that represents the 2009 funding level adjusted for inflation to 2012 when the new CTP is estimated to be approved. This figure is used as the 2006 constant dollar estimate for KDOT funding in 2012 and beyond in these funding projection tables.

It is assumed that all KDOT funding for roadway improvements in the MTPO area will be used for capacity improvements and maintenance needs on the state highway system.

Local Funding Assumptions

Shawnee County Funding

The current mix of Shawnee County funds used for road and bridge improvements includes sales taxes, general funds, and federal aid allocated to the County from KDOT. The assumption is that these funding sources will continue in the future at about current levels. Shawnee County uses a pay-as-you-go approach to improving its road system and as such does not issue bonds or incur debt to finance road improvement projects; this practice is assumed to continue in the future. General funds raised from property taxes are typically used to provide the local match amount for federal aid projects and sometimes used to fully fund smaller road and bridge projects. The sales tax revenue now received by Shawnee County is also used for the local match to federal aid and as a local source to fully fund certain road and bridge improvements. The assumption included in the funding tables is that an amount of general funds equal to the required twenty percent match for federal aid will be available from the County. These funding practices are assumed to continue through the life of this Long Range Transportation Plan.

The County also receives Special City & County Highway Fund revenues from the State which are state gasoline taxes passed onto Shawnee County. At present, all of this gas tax revenue is used by the County Public Works Department for maintenance projects, and this practice is assumed to continue. This gas tax revenue along with enhanced sales tax or general fund revenues are assumed to be adequate to provide necessary maintenance of the County road system in the future.

It is also assumed that the County will occasionally receive some federal funding for Transportation Enhancement (TE) projects and that the local share of those projects will be paid for with general fund revenues.

City of Topeka Funding

The current mix of City funding for roadway and bridge improvements includes property taxes, general obligation bonds, sales tax revenues, assessment district fees, federal aid, and Special City & County Highway Fund monies. Like the County this last source from state gas taxes is used by the City for maintenance projects only, and this practice is assumed to continue through 2034.

The level of local funding support for roadway and bridge projects is assumed to remain at current levels through the foreseeable future. The assumption included in the funding tables is that an amount of funds equal to the required twenty percent match for federal aid will be provided by the City for their FHWA funded improvements and that other locally funded projects will be paid for with sales tax revenues. Those projects represent the pay as you go portion of the City road and bridge improvement program.

Unlike Shawnee County, the City of Topeka issues general obligation bonds to pay for additional roadway improvements as needed. The current cap in general obligation bonds issued for roadway and bridge work is now set at \$3.6 million annually, and this amount is assumed to remain constant throughout the life of the Plan. This level of debt per year to finance road and bridge projects is in line with past practices and appears to be a reasonable amount of debt for Topeka to manage in their roadway program.

The amount of revenue derived from the sales tax used for road and bridge projects is also assumed to be the same in the future with some of that revenue already pledged to pay off the debt incurred for the new Topeka Boulevard Bridge. It is assumed that this Topeka Boulevard Bridge debt will be paid off over the next twenty years as planned, and that major payoff of debt will be shown as a project in the Long Range Transportation Plan section showing fiscal constraint.

Assessment district funding is mentioned here because this source is sometimes used to fund projects that otherwise cannot secure funding, however, because it is sporadic and unpredictable this funding source is not used in the funding projections in this Long Range Transportation Plan.

The City of Topeka, like Shawnee County, receives some federal funding passed through KDOT to help fund road and bridge improvements. It is assumed that the current level of federal aid to Topeka will continue in the future.

It is also assumed that the City will continue to be awarded some Transportation Enhancement funds from KDOT for special projects (bikeways, historic preservation, streetscape, etc.). The level of TE funding for the City will be assumed to remain at about the level it received during the 2000-2006 period.

Transit

Table 6-8 and Table 6-9 illustrate the funding availability for public transportation (for capital and for operations and maintenance) within the MTPO area over the plan horizon.

**Table 6-8
Transit
Capital Funding Forecast – 2034**

Revenue Source	Annual Funding Levels	Total (2007-2034)
	Total	
Federal Formula Capital Assistance (FTA-5307)	\$ 300,000	\$ 8,400,000
Federal Discretionary Capital Assistance (FTA-5309)*	\$1,300,000	\$ 9,100,000
Local Match to Federal \$ for Capital Projects**	\$ 400,000	\$ 4,375,000
Advertising and Other Revenues	\$ 20,000	\$ 560,000
Total	\$2,020,000	\$22,435,000

Source: National Transit Database, FTA

Note: Figures are rounded to nearest ten thousand.

* Amount shown is assumed to be received once every four years.

** Match shown is assuming discretionary award. It will be lower for years without discretionary revenue.

**Table 6-9
Transit
Operations & Maintenance Funding Forecast – 2034**

Revenue Source	Annual Funding Levels	Total (2007-2034)
	Total	
Federal Formula Operating Assistance (FTA-5307)	\$1,600,000	\$ 44,800,000
KDOT Operating Assistance	\$ 480,000	\$ 13,440,000
Local Property Tax Levy	\$2,200,000	\$ 61,600,000
Farebox Revenue	\$ 800,000	\$ 22,400,000
Advertising and Other Revenues	\$ 110,000	\$ 3,080,000
Total	\$5,190,000	\$145,320,000

Source: National Transit Database, FTA

Note: Figures are rounded to nearest ten thousand.

The funding projections shown in Table 6-8 and 6-9 above are based on the following assumptions.

General Transit Assumptions

The mix of funding for the TMTA includes farebox revenue, advertising, local property tax levies, KDOT operating assistance, federal formula operating assistance, federal formula capital assistance and federal discretionary capital assistance. Recently, the amount of farebox revenue has risen, due in part to fare increases over the last two years, as well as an increase in ridership coinciding with a rise in gasoline costs and changes in school busing policies in Topeka. It is assumed that future farebox revenue will continue at current 2006 levels. Other operating revenues from advertising fees are a small portion of the revenue mix and are also assumed to remain at current levels.

Federal Transit Funding Assumptions

Federal formula funds for both operating and capital assistance are expected to continue throughout the term of this plan at current levels. There may be delays in reauthorizing the next federal surface transportation program after SAFETEA-LU expires at the end of federal fiscal year 2009. However, it is assumed that funding will continue to flow to the region by the enactment of continuing resolutions similar to those passed by Congress in

recent years. The current 2006 levels of formula funds from the FTA are assumed to remain the same in the future.

It is also assumed that the transit funding programs used locally (formula operating and capital assistance along with some discretionary capital assistance) will continue at current levels. The paratransit vehicle funding now provided to local agencies for the transportation of elderly persons and persons with disabilities is also assumed to continue at current levels.

Discretionary capital funds from the FTA (Section 5309), such as those used to build the Quincy Street Station, are much less predictable and uncertain. It is assumed that some discretionary FTA funds will be available to help pay for bus purchases during the term of this plan, but it is not assumed that major amounts of discretionary funding will be available for new buildings. The assumption used in this Long Range Transportation Plan is that about every four years the TMTA will be successful at securing discretionary capital funds for replacement buses and will be able to purchase four new buses with this funding.

The TMTA has also received funding from the Jobs Access- Reverse Commute Program in the past; but, in the future TMTA will receive this funding on a formula basis, resulting in a reduced level of funding.

State Transit Funding Assumptions

The amount of KDOT operating assistance increased substantially after the Comprehensive Transportation Program (CTP) was passed in 2000. It is assumed that this level of state support for transit in the Topeka Area will continue in the future and that the State will pass an interim program if necessary to maintain this funding while developing a new CTP. It is assumed that no major disruption to state operating assistance for transit will occur even though there is expected to be a two-year period (2010-2011) between the end of the CTP and the start of its successor program.

Local Transit Funding Assumptions

The City of Topeka provides a local match for formula capital and discretionary capital funds, as well as operating assistance to the TMTA. These funds are provided through a local property tax levy. It is expected that the City will continue to provide matching funds in the future, at levels similar to the current contributions.

Fiscal Constraint

Demonstrating that transportation operations, maintenance, and capital investments can be afforded and adequately maintained into the future is not only mandated by federal law but is an essential component of good planning. This subsection demonstrates fiscal accountability by presenting a financially constrained plan for operations and maintenance as well as capital investments through the year 2034 for the MTPo area.

Operations & Maintenance – Revenue & Expenses

This subsection summarizes the operating and maintenance revenues and expenditures of the 2034 Long Range Transportation Plan. Revenues are consistent with the financial analysis as described in Subsection 6.3 and expenditures are described in Section 7.

Roads and Bridges

The most expensive non-capital highway activity is roadway maintenance and operations. Maintenance costs include routine and regular expenditures required to keep highways, streets, and rights-of-way in usable conditions such as patching repairs, bridge painting, and other maintenance activities. Additionally, there are other traffic service costs such as snow and ice-removal, pavement marking, signs, and litter removal. Maintenance activities consistent with KDOT's CTP programs for substantial maintenance, resurfacing, and bridge and culvert repairs are also covered within these expenses.

The MTPO, in consultation with KDOT was able to determine future operations and maintenance funding levels for Roads and Bridges for the MTPO area based on historic funding trends. Table 6-10 illustrates the anticipated revenues and expenditures for operation and maintenance (O&M) activities within the MTPO area over the 27-year plan horizon.

**Table 6-10
Streets & Bridges
Operations & Maintenance Revenues and Expenditures**

Revenue Sources	Anticipated O & M Revenues (2007-2034)	Anticipated O & M Costs (2007-2034)	Fiscal Constraint Summary*
KDOT	\$221,200,000	\$221,200,000	\$0
City of Topeka	\$168,000,000	\$168,000,000	\$0
Shawnee County	\$168,000,000	\$168,000,000	\$0
Total	\$557,200,000	\$557,200,000	\$0

Note: Figures are rounded to nearest ten thousand.

* Funding balance after subtracting planned expenditures from anticipated revenues

Public Transportation

The MTPO, in consultation with TMTA and KDOT determined future operating revenue levels for transit for the MTPO area based on historic funding trends. Table 6-11 illustrates the revenues and expenditures for transit operations within the MTPO area over the 27-year plan horizon.

**Table 6-11
Transit
Operations & Maintenance Revenues and Expenditures**

Revenue Sources	Anticipated O & M Revenues (2007-2034)	Anticipated O & M Costs (2007-2034)	Fiscal Constraint Summary*
Federal Formula Operating Assistance (FTA-5307)	\$ 44,800,000	\$ 44,800,000	\$0
KDOT Operating Assistance	\$ 13,440,000	\$ 13,440,000	\$0
Local Property Tax Levy	\$ 61,600,000	\$ 61,600,000	\$0
Farebox Revenue	\$ 22,400,000	\$ 22,400,000	\$0
Advertising and Other Revenues	\$ 3,080,000	\$ 3,080,000	\$0
Total	\$145,320,000	\$145,320,000	\$0

Note: Figures are rounded to nearest ten thousand.

* Funding disposition after subtracting planned expenditures from anticipated revenues

Capital – Revenue & Expenses

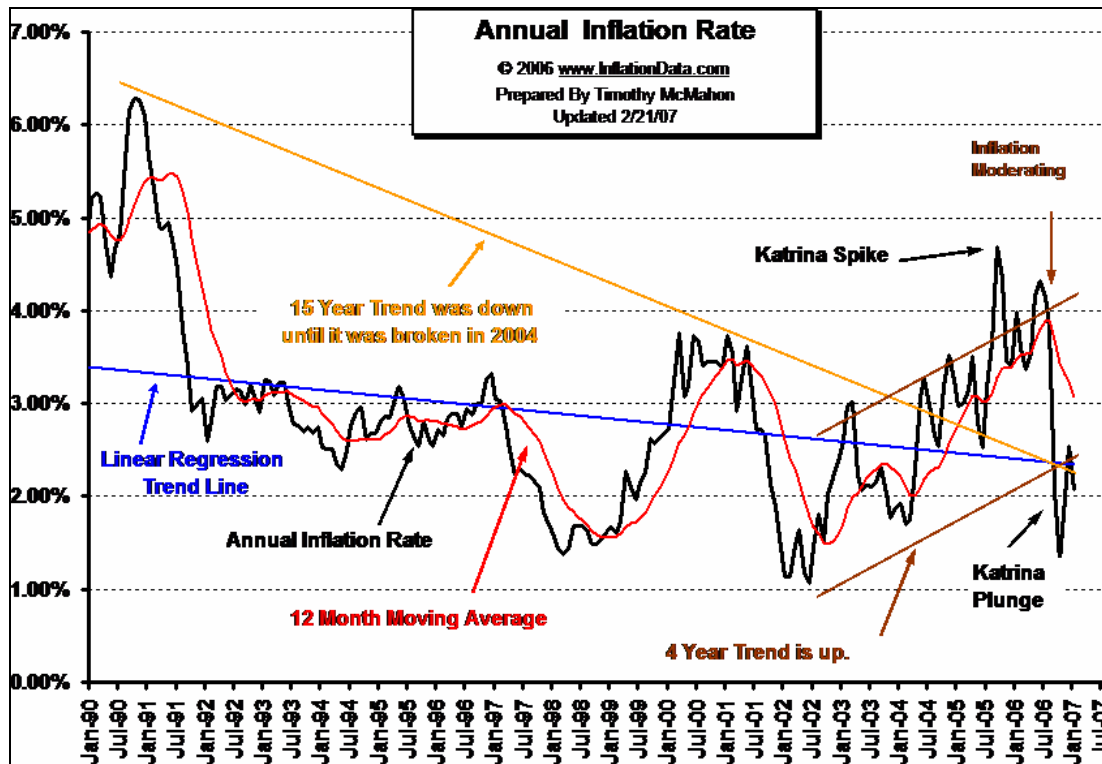
This subsection summarizes the capital revenues and expenditures of the recommended 2034 Long Range Transportation Plan which is presented in Section 7.0 of this Plan.

Year of Expenditure Costs

Inflation is an increase in the price you pay or a decline in the purchasing power of money. In other words, Price Inflation is when prices get higher or it takes more money to buy the same item. Inflation is measured by the Bureau of Labor Statistics in the United States using the Consumer Price Index.

Figure 6-1 represents the change of inflation in the United States over time (since 1990 - roughly 17 years). As illustrated in the figure below, inflation is a fluctuating rate that is driven by many factors.

Figure 6-1
Annual Inflation Rate – Historic



For purposes of the MTPO 2034 LRTP, project costs, excluding program categories such as Bike/Pedestrian, Neighborhood Infrastructure, and TSM/Safety which are assumed dollars available per year, have been escalated at a compounded growth rate of two percent (2%) per year to reflect a likely project cost at year of expenditure. Projected revenues are in today's dollars (2007) and have not been escalated. Revenues are consistent with the financial analysis as described above.

The following is a summary of the 2034 Long Range Transportation Plan's planned transportation improvements (by category) balanced against anticipated revenues, which have been forecasted to the year 2034.

Roads and Bridges

The MTPO, in consultation with KDOT, was able to determine future capital revenues for Roads and Bridges for the MTPO area based on historic funding trends. A summary of planned improvements to roads and bridges, which includes roadway widening and new roads, transportation system management and intelligent transportation systems (ITS), and walkways and bikeways are presented in Section 7 – Recommended Planned Improvements.

Table 6-12 illustrates the revenues and expenditures of these improvements over the planning horizon. The total budget for these planned improvements is \$521 million with a surplus of just over \$600,000.

**Table 6-12
Streets & Bridges
Capital Revenues and Expenditures**

Revenue Sources	Anticipated Capital Revenues (2007-2034)	Anticipated Capital Costs (2007-2034)*	Fiscal Constraint Summary**
Surface Transportation Program (STP-Bridge) (80%/20%)	\$ 63,000,000	See Section 7.0 For List of Projects.	
Surface Transportation Program (STP-Highways) (80%/20%)	\$ 56,000,000		
Surface Transportation Program (STP-Safety) (90%/10%)	\$ 8,750,000		
State (KDOT) Funds (100% State)	\$ 32,703,120		
Enhancement Funds (80%/20%)	\$ 14,000,000		
City of Topeka (100% Local)	\$100,800,000		
Shawnee County (100% Local)	\$224,000,000		
Total	\$499,253,120		

* Reflects anticipated expenditures during the planning horizon

** Funding disposition after subtracting planned expenditures from anticipated revenues

Public Transportation

Table 6-13 illustrates the revenues and expenditures of the planned improvements for transit projects over the planning horizon. A deficit (shortfall) of nearly \$74 million is projected after accounting for all planned improvements against anticipated transit revenues. In order to cover the costs for these transit capital expenses, funding from the highway funds will be necessary. Various federal transportation funds which are typically used for roadway improvements can be used for transit and will need to be in order to cover these capital expenses. Subsection 7.1.6 - Public Transportation provides a detailed summary of the planning transit capital improvements.

**Table 6-13
Transit
Capital Revenues and Expenditures**

Revenue Sources	Anticipated Capital Revenues (2007-2034)	Anticipated Capital Costs (2007-2034)*	Fiscal Constraint Summary**
Federal Formula Capital Assistance (FTA-5307)	\$ 8,400,000	See Section 7.0 For List of Projects.	
Federal Discretionary Capital Assistance (FTA-5309)	\$ 9,100,000		
Local Match to Federal \$ for Capital Projects	\$ 4,375,000		
Advertising and Other Revenues	\$ 560,000		
Total	\$22,435,000	\$96,319,604	(\$73,884,604)

* Reflects anticipated expenditures during the planning horizon

** Funding disposition after subtracting planned expenditures from anticipated revenues

Balancing of Funds

In order to cover the capital costs of transit expenditures, which are over and beyond the projected transit capital funding for the planning horizon, funds from the surplus roads and bridges capital funds will have to be used. Table 6-14 illustrates this balance shift and demonstrates that the MTPO will have adequate funds to implement the recommended transportation improvements, which are provided in Section 7.0 of the Plan.

**Table 6-14
Balancing of Revenues and Expenditures
(Fiscal Constraint)**

Road & Bridge Capital Revenue Sources	Anticipated Capital Revenues (2007-2034)	Anticipated Capital Costs (2007-2034)*	Fiscal Constraint Summary**
Surface Transportation Program (STP-Bridge) (80%/20%)	\$ 63,000,000	See Section 7.0 For List of Projects.	
Surface Transportation Program (STP-Highways) (80%/20%)	\$ 56,000,000		
Surface Transportation Program (STP-Safety) (90%/10%)	\$ 8,750,000		
State (KDOT) Funds (100% State)	\$ 32,703,120		
Enhancement Funds (80%/20%)	\$ 14,000,000		
City of Topeka (100% Local)	\$100,800,000		
Shawnee County (100% Local)	\$224,000,000		
Total	\$499,253,120	\$424,760,810	\$74,492,310
Transit Capital Revenue Sources	Anticipated Capital Revenues (2007-2034)	Anticipated Capital Costs (2007-2034)*	Fiscal Constraint Summary**
Federal Formula Capital Assistance (FTA-5307)	\$ 8,400,000	See Section 7.0 For List of Projects.	
Federal Discretionary Capital Assistance (FTA-5309)	\$ 9,100,000		
Local Match to Federal \$ for Capital Projects	\$ 4,375,000		
Advertising and Other Revenues	\$ 560,000		
Total	\$ 22,435,000	\$ 96,319,604	(\$73,884,604)
Grand Total	\$521,688,120	\$521,080,413	\$607,707

* Reflects anticipated expenditures during the planning horizon

** Funding disposition after subtracting planned expenditures from anticipated revenues

As demonstrated in Table 6-14 the MTPO's Financial Plan of the 2034 Long Range Transportation Plan demonstrates fiscal constraint and complies with the federal requirement for developing a financially constrained transportation plan.