

Describing NOACA Transportation Funding

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Medina County Commissioner



23 USC § 134 requires each urbanized area, as defined by the US Census Bureau, to be covered by a metropolitan transportation planning and project approval process conducted by a designated metropolitan planning organization (MPO) as a condition to receiving federal funds for most transportation projects.

5 Counties, 61 Cities, 45 Villages, 58 Townships
2,005 Square Miles
2,890 Miles of roadway in the federal-aid system
23rd Largest metropolitan area in the U.S.
2.1 Million population
19% of Ohio's total population

NOACA is the federally-designated Metropolitan Planning Organization for Cuyahoga, Geauga, Lake, Lorain and Medina Counties in Northeast Ohio. This designation certifies NOACA to conduct transportation planning and transportation-related air quality planning in the Greater Cleveland area, as provided for by federal law (the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005-a Legacy for Users (SAFETEA-LU)). NOACA also carries out water quality planning for the region's navigable rivers.

As the MPO, NOACA administers federal and state provisions that include:

- Long-range Transportation Plan (Connections 2030),
- Transportation Improvement Program (TIP),
- Overall Work Program (OWP).

NOACA's current Transportation Plan, *Connections 2030: A Framework for the 2030 Transportation System*, includes major regional projects that are proposed for implementation over a 25-year time frame. (See handout) These projects are included in one of four project tiers:

- Tier I – Projects that are in an advanced state of planning whose funding has been identified. With the exception of the Turnpike projects, all are expected to use federal funds. These projects are on the fiscally balanced part of the Plan and are used to perform the federally required air quality analysis. These projects are expected to be constructed within the next five years.
- Tier II – Tier II projects are those at an advanced stage of planning whose funding has been guaranteed by the project sponsor, but no federal funds have been identified at this time. Since the project sponsor has agreed they will find a way to finance their projects, they are also on the fiscally balanced part of the Plan and are used to perform the federally required air quality analysis. The projects are expected to be constructed within the next 6 to 20 years.
- Tier III – Tier III projects are those undergoing a Major Investment Study (MIS) or equivalent, or needing an MIS or equivalent.
- Tier IV – Tier IV projects are projects or concepts that are part of a visionary plan.

NOACA's Transportation Improvement Program (TIP) contains projects that are scheduled to be implemented over the next four years. Most of the Plan's Tier I projects are currently in the TIP. The TIP programs millions in federal-aid funds for projects sponsored by the Ohio Department of Transportation, County Engineers, transit operators and communities.

Federal Funding

In accordance with federal surface transportation law, NOACA receives between \$42 and \$45 million of federal-aid funding each year. The NOACA Governing Board is responsible for determining which transportation improvement projects in the region will be funded. These projects comprise the annual TIP priority list. If any projects on the priority list fall behind in their implementation schedule, a project from a supplemental list that is "ready to go" can then be implemented. As such, the funds are often called NOACA-controlled, or "NOACA attributable".

NOACA receives three types of federal-aid funds:

- Surface Transportation Program (STP)
- Congestion Mitigation and Air Quality (CMAQ)
- Transportation Enhancement Activity (TEA)

Transportation Plan Goals

- Goal 1:** Advance the region's economic competitiveness based upon a sustainable development approach integrating environmental, social equity and economic perspectives.
- Goal 2:** Enhance the natural environment and ecology of the region by improving air, land and water quality, conserving transportation energy and by identifying and preserving existing critical natural resources and environmentally sensitive areas.
- Goal 3:** Preserve and improve the efficiency and safety of the existing transportation system, prioritize elements of the system identified as significant and ensure the system serves homeland security.
- Goal 4:** Establish a more balanced transportation system which enhances modal choices by prioritizing goods movement, transit, pedestrian and bicycle travel instead of just single occupancy vehicle movement and highways.
- Goal 5:** Improve the transportation mobility of the transit-dependent and low-income individuals to jobs, housing and other trip purposes.
- Goal 6:** Provide additional transportation system capacity to move people and goods only when such capacity improvements promote the NOACA Principles, minimizing the adverse impacts of the investments on existing communities within the region.
- Goal 7:** Foster reinvestment in existing urban core areas throughout the region, and work to target and manage transportation investments to implement Plan goals.
- Goal 8:** Foster intergovernmental and private sector relationships to strengthen the regional community and assist in Plan implementation.
- Goal 9:** Direct the Plan and its investments toward efficient, compact land use development/redevelopment that facilitates accessibility, saves infrastructure costs, preserves and enhances farmland, forests and open space and enhances the economic viability of existing communities within the region.
- Goal 10:** Foster improvement in the quality of life of residents in the region through attention to aesthetics in the planning of the transportation system.

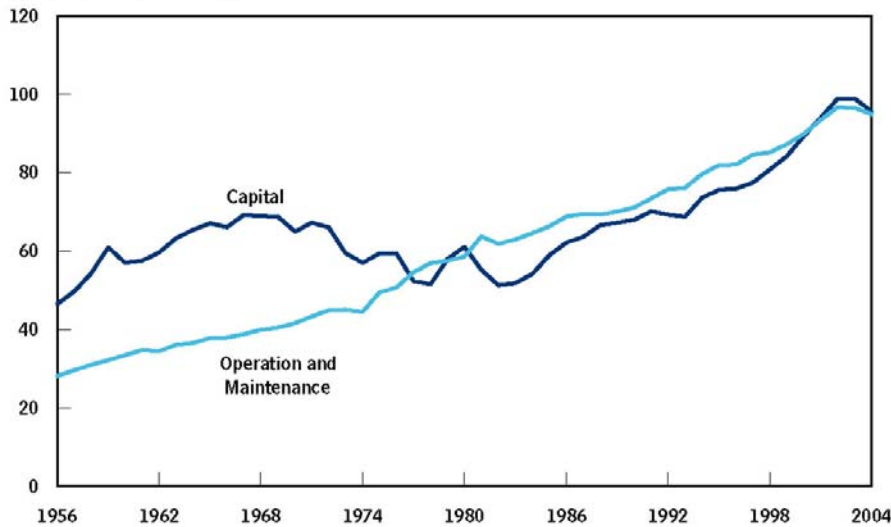
Future of Transportation Funding

FEDERAL HIGHWAY TRUST FUND

Figure 1.

Federal, State, and Local Spending for Surface Transportation Capital Investments and Operation and Maintenance, 1956 to 2004

(Billions of 2006 dollars)



Source: Congressional Budget Office.

CBO TESTIMONY, “Public Spending on Surface Transportation Infrastructure” October 25, 2007

Federal outlays are directed almost entirely to capital projects and account for slightly less than one-half of all public spending on such projects. In contrast, state and local governments provide virtually all of the public spending to operate and maintain the surface transportation infrastructure.

Spending priorities on surface transportation infrastructure vary by level of government.

Example: In 2004,

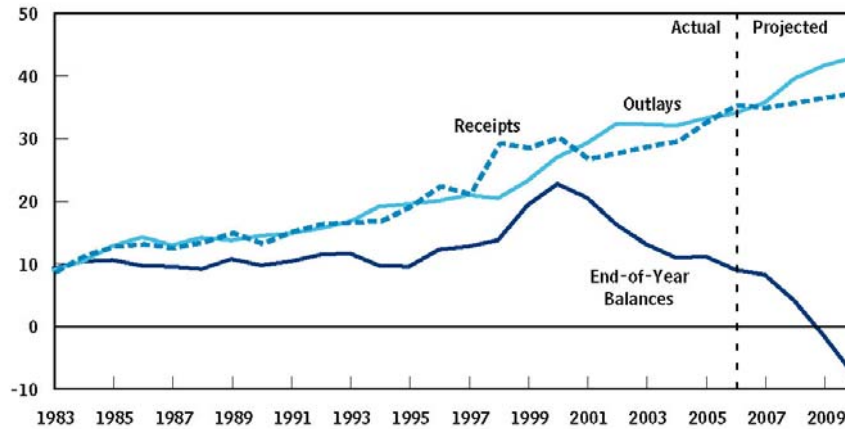
- Federal outlays—almost entirely in the form of grants and loans to states and localities—principally funded capital projects; 92 cents of every federal dollar spent on such infrastructure was for capital projects rather than operation and maintenance.
- Majority of state and local spending (64 percent) was allocated to operation and maintenance.
- The federal government provided almost one-half (46 percent) of total public funding for surface transportation capital projects, and states and localities accounted for virtually all (96 percent) of public spending to operate and maintain that infrastructure.

Conclusion: Operation and maintenance of highway infrastructure largely state and local responsibility, while federal funds are largely used for capital. Federal aid can only take care of a portion of local transportation needs.

Figure 1.

The Highway Account, 1983 to 2010

(Billions of dollars)



Source: Congressional Budget Office.

Note: Receipts are adjusted to remove the effects of a legislated shift in payment dates that reduced receipts by \$5 billion in 1998 and increased them by the same amount in 1999.

Fig. from CBO Testimony, "Status of the Highway Trust Fund: 2007" March 27, 2007

According to CBO's projections (October 2007), if annual spending continues at its currently authorized levels (adjusted for inflation after 2009), the highway account of the trust fund will be exhausted at some point during fiscal year 2009; the mass transit account will have sufficient revenues to cover its expenditures until 2012.

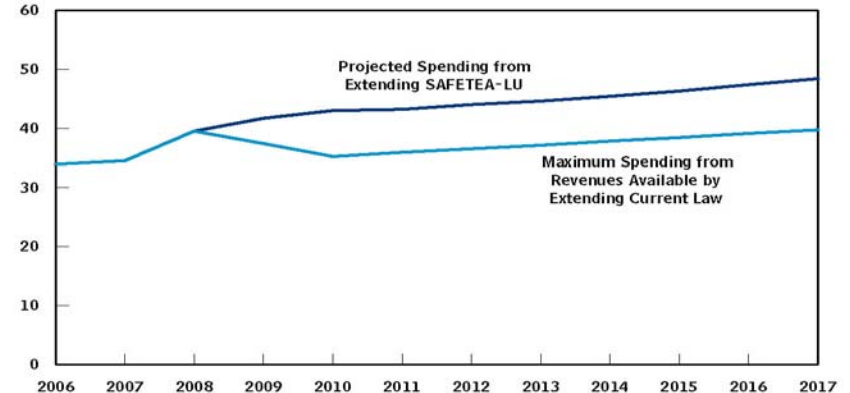
Over the 2009–2017 period, Congress faces a growing differential between expected revenues in the highway account and spending from that account that could occur if obligations continue at the levels authorized in SAFETEA-LU, adjusted for inflation. Eliminating that differential would require

- a cut in spending authority of 40 percent below projected levels during 2009 and about 20 percent annually thereafter through 2017;
- an increase in revenues of about 20 percent over the period;
- or some combination of the two approaches.

Figure 4.

Projected Spending from Extending SAFETEA-LU Compared with the Maximum Spending That Could Be Sustained from Revenues Credited to the Highway Account of the Highway Trust Fund

(Billions of dollars)



Source: Congressional Budget Office.

Note: Projections in the figure assume that spending authority under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) grows at the rate of inflation after 2009; the estimated maximum spending from the highway account reflects what could be sustained by projected revenues.

Conclusion: Federal aid transportation funds to NOACA and through State of Ohio will likely see drastic reductions in short term and long term. See NOACA staff report handout October 31, 2007.

NOACA FUNDING POLICIES

Prioritization policies for NOACA funded projects:

- System Preservation
- System Efficiency
- County-level transportation system preservation and efficiency targets based on population proportional to NOACA region. Medina County current target is 7%.

New capacity projects are evaluated against policies objectives adopted by the NOACA Board. Scoring of projects for prioritization as described in **Regional Transportation Investment Policy: Planning, programming and prioritizing transportation projects for the NOACA Region** (April 2007), Approved by Resolution 2007-005 and Amended by Resolution 2007-010.

Category number	Scoring Category	Transit	Roadway	Maximum number of points	Percent of total
1	Transportation system use and accessibility			20	10 %
2	Transportation System Congestion			40	20%
3	Transportation Safety			20	10%
4	Urban Core Reinvestment			30	15%
5	Economic Development/Redevelopment			40	20%
6	Planning			15	7.5%
7	Multimodal and intermodal considerations			10	5%
8	Funding participation			15	7.5%
9	Cost effectiveness			10	5%
	Total			200	100%

Conclusion: Current prioritization of NOACA funding, while recognizing county level targets, is largely biased in favor of preservation, efficiency, and developed urban core priorities. Medina County will likely have a tough time competing against other regional projects even without the weighted-vote advantage favoring Cuyahoga County.

LOCAL TRANSPORTATION FUNDING: TOUGH CHOICES

Future funding of local roadway improvements will increasingly rely upon local resources as the major component of capital projects. Likely solution will be from a mixture of revenues streams. Among options already considered by Brunswick City Council, others that could be examined:

- **License Plate Fee via Medina Transportation Improvement District.** Fee may be levied in five dollar increments, not to exceed twenty dollars. Fee may be levied in all or part of the territory of the district with voter approval per ORC Section 4504.21. See attached.
- **Special Assessments of Benefiting Property Owners.** Existing Special Assessment Debt Retirements Funds for road projects on Center Road, Laurel Road, Grafton Road, Carpenter Road, etc. as a model for distributing costs of future major roadway projects.

APPENDIX

ORC 4504.21 Levying transportation improvement district license tax.

(A) For the purpose of paying the costs and expenses of enforcing and administering the tax provided for in this section; for planning, constructing, reconstructing, improving, maintaining, and repairing roads, bridges, and culverts; for purchasing, erecting, and maintaining traffic signs, markers, lights, and signals; for paying debt service charges on obligations issued for those purposes; and to supplement revenue already available for those purposes, a transportation improvement district created in accordance with section 5540.02 of the Revised Code may levy an annual license tax upon the operation of motor vehicles on the public roads and highways in the territory of the district. The tax shall be levied in increments of five dollars and shall not exceed twenty dollars per motor vehicle on all motor vehicles the owners of which reside in the district and shall be in addition to all other taxes levied under this chapter, subject to reduction in the manner provided in division (B)(2) of section 4503.11 of the Revised Code. The tax may be levied in all or part of the territory of the district.

(B) The board of trustees of a transportation improvement district proposing to levy a motor vehicle license tax under this section shall put the question of the tax to the electors of the district or of that part of the district in which the tax would be levied. The election shall be held on the date of a primary or general election held not less than seventy-five days after the board of trustees certifies to the county board of elections its resolution proposing the tax. The resolution shall specify the rate of the tax. The board of elections shall submit the question of the tax to the electors at the primary or general election. The secretary of state shall prescribe the form of the ballot for the election. If approved by a majority of the electors voting on the question of the tax, the board of trustees shall levy the tax as provided in the resolution.

(C) A transportation improvement district license tax levied under this section shall continue in effect until repealed, or until the dissolution of the transportation improvement district that levied it.

(D) Money received by the registrar of motor vehicles pursuant to sections 4501.03 and 4504.09 of the Revised Code that consists of the taxes levied under this section shall be deposited in the auto registration distribution fund created by section 4501.03 of the Revised Code and distributed to the transportation improvement district levying such tax. The registrar may assign to the transportation improvement district a unique code to facilitate the distribution of such money, which may be the same unique code assigned to a county under section 4501.03 of the Revised Code.

Effective Date: 06-20-1996