



Strategic Regional Transit Plan

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Chapter 2: *Transportation Funding Policies*

TRANSPORTATION FUNDING POLICIES

TABLE OF CONTENTS

1.0 INTRODUCTION.....	1
2.0 TRANSPORTATION FUNDING FRAMEWORK	2
2.1 TRANSIT PLANNING AND THE RESPONSIBILITIES OF THE MPO	2
2.2 REGIONAL PRIORITIES AND THE STRATEGIC INTERMODAL SYSTEM (SIS)	3
2.3 TRANSPORTATION FUNDING OPTIONS IN FLORIDA	5
3.0 SHORT-RANGE FUNDING PRIORITIES.....	6
3.1 MIAMI-DADE COUNTY	6
3.2 BROWARD COUNTY	7
3.3 PALM BEACH COUNTY	7
4.0 LONG-RANGE FUNDING PRIORITIES.....	9
4.1 MIAMI-DADE COUNTY	9
4.2 BROWARD COUNTY	9
4.3 PALM BEACH COUNTY	10
5.0 CONCLUSIONS.....	11

TABLES

Table 1 – MPO Planning Products	2
Table 2 – SIS Needs by Mode.....	4
Table 3 – County, District, and Local Taxation Options for Transportation in Florida.....	5
Table 4 – Miami-Dade County TIP Funding Priorities	6
Table 5 – Broward County TIP Funding Priorities.....	7
Table 6 – Palm Beach County TIP Funding Priorities	8
Table 7 – Miami-Dade Long Range Funding Priorities (Cost Affordable Plan).....	9
Table 8 – Broward County Long Range Funding Priorities (Cost Affordable Plan).....	10
Table 9 – Palm Beach County Long Range Funding Priorities (Cost Affordable Plan)	10

1.0 INTRODUCTION

Funding for transportation investments in south Florida comes from a wide range of federal, state, and local government sources, as well as tolls, farebox revenues, user fees, and private sector expenditures. However, current funding sources are insufficient to support the needed transportation projects in south Florida – including roadway construction and maintenance, transit infrastructure and operations, aviation, freight rail, and seaports. As population, travel, and trade continue to expand and the existing infrastructure ages, the backlog of projects continues to grow. To balance needs with available funding, the state and the south Florida counties have developed explicit funding policies which assess and prioritize potential transportation investments and match them to the available funding.

This paper will examine the transportation funding policies in the south Florida counties of Miami-Dade, Broward, and Palm Beach. **Section 2.0** will give a brief overview of the transportation funding framework in Florida, including modal priorities, the Strategic Intermodal System (SIS), and a discussion of limits on taxation in the state. **Section 3.0** reviews the short-range funding priorities for the three counties, while **Section 4.0** reviews the counties' long-range funding priorities. Conclusions are presented in **Section 5.0**.

2.0 TRANSPORTATION FUNDING FRAMEWORK

2.1 TRANSIT PLANNING AND THE RESPONSIBILITIES OF THE MPO

A metropolitan planning organization (MPO) is a long-range transportation planning organization composed of representatives from local government and transportation authorities. Federal environmental and transportation statutes require the creation of an MPO for any urbanized area with a population greater than 50,000 in order to ensure that existing and future expenditures for transportation projects and programs are based on a “continuing, cooperative and comprehensive” (3-C) planning process. Federal funding for highway and public transit projects are channeled through this planning process. In addition, areas with populations over 200,000 are designated as transportation management areas (TMAs). TMAs must have a congestion management system (CMS) that identifies actions and strategies to reduce congestion and increase mobility. In air quality non-attainment areas, projects that increase capacity for single occupancy vehicles (by adding new roads or widening existing ones) must conform with the area’s CMS.

The three major products of the MPO transportation planning process are the Unified Planning Work Program (UPWP), the Transportation Improvement Plan (TIP), and the Long Range Transportation Plan (LRTP). **Table 1** summarizes the content and planning horizon of each MPO product.¹

Table 1 – MPO Planning Products

	Horizon	Contents	Update Requirements
UPWP	1-2 Years	Planning Studies & Tasks	Annually
TIP	3 Years	Transportation Investments	Every 2 Years
LRTP	20 Years	Future Goals, Strategies & Projects	Every 5 Years (3 Years for Non-Attainment and Maintenance Areas)

Source: USDOT, “The Metropolitan Planning Process”

¹ MPO information and Figure 1 graphic adapted from USDOT, “The Metropolitan Transportation Planning Process: Key Issues - A Briefing Notebook for Transportation Decisionmakers, Officials, and Staff” (www.planning.dot.gov)

In many urbanized areas, the MPO has a wide geographic coverage, encompassing a major urban core, surrounding suburbs and smaller cities, and distant exurbs. In Atlanta, for example, the Atlanta Regional Commission is a regional MPO covering a ten-county area. Due to the de-centralized nature of Florida's growth, Florida has developed into a large number of smaller MPOs which often encompass only a single county. Miami-Dade, Broward, and Palm Beach Counties each have their own separate MPOs, and the MPO governing boards and technical staff are very closely tied to the county governments (rather than being independent, as in many metro areas).

As metropolitan areas in Florida grow toward each other, proposals for merging MPOs on a regional level become more compelling. Across Florida, MPOs within a definable region have created coordinating committees designed to provide a forum for regional discussion, while maintaining the independence of the single county MPO. Individual MPOs provide staff time and resources to the development of regional projects, although none of the regional committees have independent staffs charged with an objective, regional perspective. Since its creation in 2003, the SFRTA provides regional transit services and coordinates regional transportation planning and investment through staff that is independent of the counties it serves.

In addition to a TIP and LRTP, each of the south Florida transit service providers produces a Transit Development Plan (TDP), which is a short range plan intended to address operational and capital improvements for transit, including available and anticipated funding. Each transit service provider in the state of the Florida completes a major update every five years, with annual minor updates. In Broward County, for example, the TDP major update was completed in December of 2004, and the investments included in the TDP cover the 5-year period from FY2005 through FY2009.

Following a successful referendum in 2002, transportation planning and investments in Miami-Dade County are directed by the *People's Transportation Plan (PTP)*. The PTP is a specific list of major roadway, bus, rapid transit, and neighborhood improvements that accompanied the county's ballot proposition to impose a half-cent surtax to fund transportation improvements.

A Citizens' Independent Transportation Trust (CITT), which has oversight power over the use and expenditure of the tax proceeds, was also created to ensure that Miami-Dade is meeting its obligations under the PTP. The PTP requires that 20% of the surtax proceeds be distributed to municipalities based on population and that each municipality must use at least 20% of their share of the tax on transit-related improvements.

2.2 REGIONAL PRIORITIES AND THE STRATEGIC INTERMODAL SYSTEM (SIS)

Recognizing the infrastructure needs across the state, the Florida Strategic Intermodal System (SIS) was created by the state legislature in 2003. The SIS is composed of transportation facilities and services of statewide and inter-regional significance that will enhance Florida's economic competitiveness.

Long range planning and prioritization for the SIS is summarized in the Multi-Modal Unfunded Needs Plan (MMNP). Projects in the MMNP are recommended transportation improvements required to help meet travel demand. This plan does not imply a firm commitment to fund or construct a project, but it is an identification and recognition of transportation need. Consistent with the goals and objectives of the Florida Transportation Plan, projects will be selected from this Needs Plan for inclusion in future Cost Feasible Plans (CFP). Each CFP will evaluate SIS needs in light of future revenues and develop a phased multi-modal plan for cost feasible future improvements to the SIS. Those projects will be prioritized for funding and move forward as recommended solutions for increased mobility.

Projects in the MMNP fall into one of three categories: SIS, Proposed SIS, and Transit in Support of SIS. The SIS category identifies needed projects that are on SIS facilities and eligible for SIS funding. The Proposed SIS category identifies needed projects that have not yet been built and have not been designated part of the SIS and eligible for SIS funding. The Transit in Support of SIS category identifies transit projects that serve to relieve congestion and improve operations on SIS Highway facilities, but are not eligible for SIS funding. Through 2030 the MMNP identifies over 850 needed projects, and the total estimated needs for Florida is approximately \$53.2 billion in 2006 dollars (this does not include the Transit in Support of SIS). Of that total, \$46.5 billion of estimated costs are on SIS or Emerging SIS facilities and the remaining \$6.68 billion estimated costs are for Proposed SIS facilities. A summary of the needed funding by mode is shown in **Table 2**.²

Table 2 – SIS Needs by Mode

MODE	KEY NEEDS	AMOUNT (2006 billions)
Aviation	Runway/taxiway construction and extensions; new airport near Panama City	\$3.1
Highway	Road widening, interchange improvements, and new highways	\$45.1
Rail	Rail yards, double tracking, grade separations, construction of sidings, additional Tri-Rail service	\$1.9
Seaport	Channel dredging, intermodal container transfer facilities, and a people mover	\$2.8
Spaceport	Roadway access	\$0.3
TOTAL		\$53.2

Source: Florida DOT Planning Offices, "Multi-Modal Unfunded Needs Plan," May 2006

² SIS information and Figure 2 adapted from the Florida DOT SIS planning website (<http://www.dot.state.fl.us/planning/systems/mspi/sisnplan.htm>).

2.3 TRANSPORTATION FUNDING OPTIONS IN FLORIDA

Florida is one of a handful of U.S. states with no state-level income tax. In part because of this, Florida depends heavily on state and local sales and excise taxes to fund government operations and capital investments. This is particularly true for highway and transit funding. In its 2001 report *Local Option Transportation Taxes in the United States*, the Institute of Transportation Studies at the University of California-Berkeley provided an in-depth summary of the various taxing options available for funding transportation in states across the U.S. **Table 3**, which is adapted from the report, shows the sales, gasoline, and property taxes available to counties and localities in Florida.³

Table 3 – County, District, and Local Taxation Options for Transportation in Florida

Tax Type	State Statute	Statute Year	Tax Name	Purposes	Permitted Rates	Adoption Process
Gasoline	FS 206.41, Const./XII-9(c)	1941	Constitutional Fuel Tax	Transportation Facilities	2¢/gal	A
	FS 206.41, 206.60	1941	County Fuel Tax	Transportation Facilities	1¢/gal	A
	FS 206.41, 206.605	1941	Municipal Fuel Tax	Transportation Facilities	1¢/gal	A
	FS 206.41, 206.87, 336.021	1972	"Ninth-Cent" Fuel Tax	Transportation Expenditures	1¢/gal	B
	FS 206.41, 336.025	1983	1 to 6 Cent Local Option Fuel Tax	Transportation Expenditures	Up to 6¢/gal	B or C
	FS 206.68	1990	State Comprehensive Enhanced Transport System (SCETS) Tax	State Transportation Trust Fund	Varies (current max 6¢/gal)	A
	FS 206.41, 206.87, 336.026	1993	1 to 5 Cent Local Option Fuel Tax	Transportation Expenditures	Up to 5¢/gal	B or C
Sales	FS 212.055 (1)	1976	Charter County Transit System Surtax	Transit/Roads	Up to 1%	C
	FS 212.055 (2)	1976	Local Government Infrastructure Surtax	Infrastructure	0.5% or 1%	C
	FS 212.055 (3)	1976	Small County Surtax	Any	0.5% or 1%	C
Property	FS 163.570	1971	Regional Transportation Authority Tax	Transit	Up to 0.3%	C
	Const./VII-9	1975	Local Ad Valorem Taxes	Capital Projects		C
	FS 190.021	1980	Community Development Districts	Roads, Sewers, Water Projects	Up to 0.5%	C

A = State Law
 B = County/Local Law
 C = Popular Vote

Source: UC-Berkeley, Institute of Transportation Studies, *Local Option Transportation Taxes in the United States* (2001).

³ The chart does not include the state-level gasoline sales tax, which is currently levied at a rate of 10.9 cents per gallon and is retained by the state. The SCETS tax and the statewide gasoline excise taxes (4 cents total) which are shown in the chart are collected statewide, but then are distributed back to the local jurisdictions.

3.0 SHORT-RANGE FUNDING PRIORITIES

The Transportation Improvement Plan (TIP) for each south Florida county lays out both the sources of funding for transportation operations and capital investment as well as the specific uses of that funding over the upcoming five years. Each county has different needs, and a different balance will be struck in each county between investment in roadways, public transit, and other surface transportation needs, as well as between investment in new capacity or ongoing operations, maintenance, and rehabilitation.

3.1 MIAMI-DADE COUNTY

Miami-Dade has programmed approximately \$8.2 billion in transportation expenditures between 2007 and 2011, as shown in **Table 4**. Approximately \$4.6 billion (57% of the total) of the programmed funding will go to highways, state roads, and county roads, while more than one-quarter of the funds (\$2.4 billion) will be allocated to public transit and the People’s Transportation Plan. In addition, over \$1.1 billion (14% of the programmed funding) will go to airport and seaport investments.

The county’s contribution to SFRTA is not counted in their funding summary (because it is allocated through FDOT District 4), but that accounts for another \$233 million over the period which is not reflected in the \$8.2 billion figure. **Table 4** shows the funding breakdown for Miami-Dade County.

Table 4 – Miami-Dade County TIP Funding Priorities

<i>(figures in millions)</i>	FY2007-2011 Total Funding	% of Total
<u>Highways and State Roads</u>		
Primary (FDOT)	\$3,461	42%
Turnpike	383	5%
Miami-Dade Expressway Authority	558	7%
<u>County Roads</u>		
Secondary	82	1%
Road Impact Fee	123	2%
Private Sector	28	0.3%
Transit	1,999	24%
People’s Transportation Plan	356	4%
Aviation	916	11%
Seaport	209	3%
Non-Motorized	35	0.4%
Local Option Gas Tax Projects	20	0.2%
TOTAL	\$8,170	
SFRTA 5-year Funding Allocation¹		\$233

¹ SFRTA funding is allocated through FDOT District 4

Source: Miami-Dade Metropolitan Planning Organization, Transportation Improvement Program (FY2006/7-2010/11).

3.2 BROWARD COUNTY

Broward County has programmed approximately \$3.1 billion in transportation funding over the next five years, as shown in **Table 5**. The allocation across modes in Broward is similar to that in Miami-Dade, though with slightly less focus on public transit. Approximately 20% of the funds (\$613 million) will go towards mass transit and the transportation disadvantaged, while aviation and ports will receive 11% of the funding (\$334 million). As with Miami-Dade, SFRTA is listed as a separate item from the rest of public transportation, and in Broward this funding totals \$291 million over the period. The remainder of the programmed funding, other than small amounts for bicycle and pedestrian projects, will go toward highway and road investments. **Table 5** shows the funding breakdown for Broward County.

Table 5 – Broward County TIP Funding Priorities

(figures in 000s)	2007	2008	2009	2010	2011	FY07-11 Total	% of Total
Aviation	\$25,239	\$20,802	\$25,951	\$24,157	\$30,796	\$126,945	4%
Bicycle/ Pedestrian	8,032	10,188	16,467	0	0	34,687	1%
Commuter Rail	75,325	59,690	59,623	47,581	48,924	291,143	9%
County*	6,824	748	7,336	7,110	0	22,018	0.7%
Developer*	1,300	0	2,600	0	0	3,900	0.1%
Mass Transit	119,461	110,974	102,425	117,872	19,272	470,004	15%
Municipal*	23,550	16,526	14,155	6,589	4,008	64,828	2%
Port	30,838	20,048	76,245	36,186	44,116	207,433	7%
State/Federal*	634,063	270,660	258,777	190,851	398,343	1,752,694	56%
Transportation Disadvantaged	26,271	27,316	28,537	29,821	31,155	143,100	5%
TOTAL	\$950,903	\$536,952	\$592,116	\$460,167	\$576,614	\$3,116,752	

* Includes roadway and bridge projects

Source: Broward Metropolitan Planning Organization, Transportation Improvement Program (FY2006/7-2010/11).

3.3 PALM BEACH COUNTY

Palm Beach County has programmed approximately \$1.9 billion in transportation funding over the next five years, as shown in **Table 6**. Two-thirds of the funding (\$1.3 billion) will go toward highways, 12% to aviation (including major runway expansions), and 11% to transit, a somewhat lower figure than in the other two counties. Tri-Rail, again listed separately, will receive \$112 million, or approximately 6% of the total funding. Smaller amounts have also been allocated for freight rail (\$60 million) and for investments for the transportation disadvantaged. **Table 6** shows the funding breakdown for Palm Beach County.

Table 6 – Palm Beach County TIP Funding Priorities

(figures in 000s)	2007	2008	2009	2010	2011	2007-11 Total	% of Total
Highways							
Florida's Turnpike	\$42,844	\$11,150	\$202,131	\$0	\$74,748	\$330,872	17%
Interstate-95	13,172	139,877	47,826	8,170	11,982	221,027	12%
Maintenance	113,353	47,523	86,103	56,509	86,013	389,501	20%
Major Improvement	29,001	38,190	43,284	16,639	154,250	281,363	15%
Enhancement	11,335	4,699	6,354	400	1,025	23,812	1%
Other¹	6,322	2,966	3,485	3,627	4,049	20,449	1%
Aviation	19,784	24,537	69,311	24,369	85,451	223,451	12%
Inter/Multimodal (Tri-Rail)	31,148	18,270	20,160	21,027	21,568	112,171	6%
Rail	6,514	6,862	7,463	30,757	8,416	60,011	3%
Seaport	1,600	18,043	5,782	0	0	25,425	1%
Transit	52,277	51,854	52,554	52,902	9,343	218,931	11%
Transp. Disadvantaged	2,129	2,164	2,202	2,261	2,293	11,049	1%
TOTAL	\$329,479	\$366,135	\$546,653	\$216,660	\$459,135	\$1,918,062	

¹ Includes Airport, Railroad, Transit, and Transportation Improvement Mgmt.

Source: Palm Beach Metropolitan Planning Organization, Transportation Improvement Program (FY2007-2011).

4.0 LONG-RANGE FUNDING PRIORITIES

The long range funding priorities in south Florida are in many cases quite different from the current short term priorities. In particular, all three counties have determined that expanded investment in public transportation (and a corresponding reduction in roadway investment, especially in new highway capacity) is necessary for the continued long term economic growth of south Florida. In each section below, the projected transportation expenditures are cost-feasible – that is, they assume only currently-available funding sources and the continuation of current funding trends. In each county, actual investments (especially in more distant years) could change significantly from the plan if the funding constraints change.

4.1 MIAMI-DADE COUNTY

Table 7 gives a summary of Miami-Dade’s projected transportation expenditures through 2030. The future focus on transit is clear, as MDT is projected to receive close to 70% of the \$19.3 billion in total funding during the period.

Table 7 – Miami-Dade Long Range Funding Priorities (Cost Affordable Plan)

<i>(figures in millions)</i>	2010-2015	2016-2020	2021-2030	TOTAL	% of Total
Highway Capital					
<i>FL Interstate Highway System (Construction & Right-of-Way)</i>				\$1,174	
<i>Other Arterials/Right-of-Way</i>	\$693	\$548	\$1,045	\$2,286	
<i>State Turnpike Enterprise</i>				\$968	
<i>Miami-Dade Expressway Authority</i>				\$424	
<i>Department of Public Works</i>	\$189	\$142	\$247	\$578	
Highway Operations					
<i>Department of Public Works</i>	\$180	\$140	\$253	\$573	
Total Highway				\$6,003	31%
Transit Capital					
<i>Miami-Dade Transit</i>	\$1,666	\$1,199	\$2,695	\$5,560	
Transit Operations					
<i>Miami-Dade Transit</i>	\$1,931	\$1,827	\$3,945	\$7,703	
Total Transit				\$13,263	69%
TOTAL				\$19,266	100%

Source: Miami-Dade Metropolitan Planning Organization, “Miami-Dade Transportation Plan (to the Year 2030).”

4.2 BROWARD COUNTY

Table 8 shows Broward County’s long range funding priorities. The balance in funding between transit and highways is quite similar to Miami-Dade, with more than 60% of the projected \$6.5 billion in funding going toward transit, and only one-third going to highway investment.

Table 8 – Broward County Long Range Funding Priorities (Cost Affordable Plan)

(expenditures in millions)

Mode	# of Projects	Expenditures (2010-2030)	% of Total
Pedestrian	114	\$23	0.3%
Greenway	4	\$53	0.8%
Bicycle	93	\$100	2%
Waterborne	5	\$49	0.7%
Transit	29	\$4,081	63%
Highway	83	\$2,126	33%
ITS	7	\$47	0.7%
Freight	27	\$34	0.5%
TOTAL	362	\$6,513	

Source: Broward Metropolitan Planning Organization, "2030 Long Range Transportation Plan Update."

4.3 PALM BEACH COUNTY

Only in Palm Beach County is there projected to be roughly equivalent funding for transit and highways through 2030, as **Table 9** displays. Of the total of \$6.0 billion in funding over the 20 year period, \$2.8 billion (47%) will go to roadways in Palm Beach County.

Table 9 – Palm Beach County Long Range Funding Priorities (Cost Affordable Plan)

(expenditures in millions)

Mode	Expenditures (2009-2030)	% of Total
Roadways	\$2,832	47%
Buses	\$857	14%
Community Buses	<i>(local funds)</i>	<i>n/a</i>
Paratransit	\$1,408	23%
Tri-Rail (Local Match)	\$838	14%
Bikes/Sidewalks	\$75	1.2%
ITS	\$35	0.6%
Water-Taxi	<i>(local funds)</i>	<i>n/a</i>
TOTAL	\$6,045	

Source: Palm Beach Metropolitan Planning Organization, "Long Range Transportation Plan: 2030 Transportation System."

5.0 CONCLUSIONS

A significant change in overall transportation investment strategies is underway in south Florida. While the investment priorities through 2011 (as evidenced in the TIPs) are still weighted relatively strongly toward highways, the long-term investment plans through 2030 show a substantial shift toward public transportation. This trend is most notable in Miami-Dade, but it is also strong in Broward County. Palm Beach, as the least urbanized of the three counties, is also increasing its investments in public transportation, but still has highway investment (including new capacity) as a key priority.

However, the implementation of these plans depends on sufficient funding, and there are uncertainties facing both Broward and Miami-Dade Counties. Broward's referendum on the proposed one-cent transit tax will occur in November 2006. If the tax is rejected, then officials and other stakeholders in the county will need to reassess their transportation investment plans and consider whether to make another attempt at a dedicated tax. If another attempt is made, changes to either the rate (e.g., reducing it from one cent to a lower value) or the uses of the tax (e.g., allowing the revenues to be used for both highway and transit investments) may need to be considered. Miami-Dade, meanwhile, faces a different set of uncertainties related to the assumptions inherent in the People's Transportation Plan. Currently there are concerns regarding the assumed amount of federal matching funds that will be available for capital investments. In addition, Miami-Dade needs to ensure that projected transit farebox revenues align with the travel demand analysis results in the planned corridors. If the assumptions in the PTP turn out to have been too aggressive, then Miami-Dade's investment priorities will need to be revisited.