Federal funding shortfall falls on other projects

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NAMPA — Since 2009, average daily traffic on Karcher Road between the intersections of Caldwell Boulevard and Middleton Road has increased nearly 20 percent, from 16,000 daily drivers in 2009 to 19,000 in 2013.

In the same span of time, the intersection at Karcher and Middleton roads saw 135 traffic crashes, 87 of them involving injuries — 43 in the intersection and 92 in the area around it.

The Community Planning Association of Southwest Idaho, or COMPASS, calls the Karcher-Middleton intersection “critical,” in need of more lanes and other safety improvements. Those improvements are coming this year, but a shortfall in federal funding jeopardized the project, and the city of Nampa had to make up the difference — to the tune of $541,000.

More and more, state and local agencies are struggling to balance diminishing federal funds with rising costs and failing infrastructure, causing local agencies to wonder if they will be forced to bear more costs in the future.

Idaho’s apportionment of federal funding had the Karcher-Middleton safety improvement project fully funded at the start of the fiscal year. But when Idaho received only about 95 percent of the federal funding it had anticipated, the Karcher-Middleton project was one of three statewide projects that became unfunded.

To keep the project moving forward, the city of Nampa contributed $541,000 — the amount of the federal shortfall. Later, Idaho received more federal money, returning statewide federal funding to 100 percent of what had been budgeted at the start of the year. However, because Nampa had accessed $475,000 of urban area-allocated federal funds earlier in the year, ITD said, the city would not be reimbursed for what it had contributed to the Karcher-Middleton project, and the extra federal funding would go to other areas of the state.

**Federal funding is stagnant at best**

“We’re running into this nationwide,” said Matt Stoll, executive director of COMPASS. “We’re not
able to fund as many projects as we used to with the money that’s coming into our region and our state.”

Stoll said a combination of factors contribute to shortfalls in federal funding: less revenue and increasing costs.

“The gas tax was last increased in 1993 at the federal level, 1996 at the state,” he said. “Our buying power has significantly diminished, and as we’re coming out of the recession, we’re seeing costs are going up. What we’re finding with the federal program is we can’t rely on that federal program to fund all the projects.”

According to Mollie McCarty, governmental affairs manager for the Idaho Transportation Department, states aren’t given their share, or apportionment, of the federal transportation bill, until late in the year. Instead, they’re told how much money to budget, but don’t find out until near the end of the fiscal year how much they’ll actually receive — their federal obligation authority. McCarty said the two numbers are normally close, but this year, Idaho received about 95 percent of the federal funding it had expected.

“These are things that are variables — you don’t get to know these things early in the process, unfortunately,” McCarty said.

But states that spend all of their federal obligation authority can become eligible to participate in redistribution of obligation authority, which means they become eligible for a share of unused funds from other states. Whether there is leftover money, and how much, McCarty said, varies from year to year. This year, Idaho received enough distribution funds to bring its federal funding levels to 100 percent of what was budgeted.

The competition for extra funds can create tension between ITD and local entities, Stoll said. In the case of the safety project at the Karcher-Middleton intersection, miscommunication and the complex and developing nature of the situation added to that tension, he said.

“We’re just not able to accomplish as much with the dollars coming in as we used to,” Stoll said. “And I think until you get some sort of revenue stream coming in, you’re still going to have this conflict going on as people are advocating for their individual projects and regions. We can improve the communication, but the public is still asking for improved infrastructure to help with their commutes, improved pavement conditions and safety, and the only way they’ll be able to get that is through additional revenue.”

Since additional revenue is outside of ITD’s control, McCarty said the state is focusing on improving communication with local entities.

“Certainly, you have a communication issue between two entities,” she said. “There needs to be clarity that it is a challenge when you have these kinds of situations you’re dealing with year after
year. And you are oftentimes expecting to not be able to spend all of the money that is being apportioned to the state, it’s going to create these challenges, and we really do need to work together to get through them as carefully and cooperatively as we possibly can. We’re committed to do that.”

**Karcher/Middleton: the “critical” intersection**

The Karcher-Middleton project had already requested and been given about $475,000 in federal funds before redistribution of obligation authority, Stoll said. According to an email from Stoll to Nampa Mayor Bob Henry, that was a major factor in the state’s decision to use redistribution funds for other projects in other parts of the state, meaning redistribution funds could not reimburse Nampa’s contribution to the project.

Stoll said Nampa competes for funding with other parts of the state that are in its same urban classification — Pocatello, Idaho Falls, Lewiston and Coeur d’ Alene. Redistribution funds went to projects in those cities, he said, adding that it was a “good call” for Nampa to contribute funding to keep the project moving forward.

“The city of Nampa said, ‘This is a critical project because of safety issues. We want to make sure it goes forward,’” Stoll said.

Bids for the Karcher-Middleton intersection came in about $600,000 under engineering estimates, said Michael Fuss, public works director for the city of Nampa. That will allow the city essentially to get reimbursed for the money it contributed to the project, though a more likely scenario, Fuss said, is that the money will go to another road project that is projected to go over budget.

**Driving toward the future**

According to Fuss and Henry, this is the first time the city of Nampa has ever been asked to make up for a shortfall in federal apportionment for a transportation project, and it creates concerns that similar situations may arise in the future.

“ITD overcommitted, and we are one of those that got caught in that shortfall,” Henry said. “If it’s done right, ITD and COMPASS understand what those dollars are and they don’t overbudget.”

On ITD’s end, McCarty said the state is trying to do the best it can with its limited means, and that healthy state revenue will be the best way to protect cities from having to make up for future shortfalls.

“What typically happens is there are some projects that may be held over until the next year,” McCarty said. “It’s incredibly speculative, but almost anybody who’s involved in dealing with fed funding issues would tell you it would be incredibly unwise to assume the federal government is going to solve our funding issues or make things easier to work through.”