

Transportation Financial Data Report
September 2010

Contents

Introduction

1. Transportation Construction Cost Indices
2. Highway Distribution Account Receipts
3. Idaho Transportation Department Revenues and Expenditures
4. Local Roadway Agencies Revenues and Expenditures
5. Roadway Maintenance Activity
6. Transit
7. Conclusions

Introduction

The purpose of this report is to summarize the past year’s financial information for transportation projects, including relevant state and local revenues and expenditures.

1. Transportation Construction Cost Indices

Under the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and its associated regulations, accounting for inflation is a requirement in the preparation of regional long-range transportation plans and transportation improvement programs. The following information was obtained using the Washington State Department of Transportation’s “Construction Cost Indices” report and revised to establish a base year of 1996. (The Federal Highway Administration [FHWA] stopped reporting its cost indices in 2007.)

The Construction Cost Indices table (Table 1) reflects a general increase in costs over time, with a few exceptions. More pointedly, a dramatic run-up occurred between 2003 and 2008. The rising costs can be attributed most notably to rising prices of fuel, concrete, steel, and other construction materials. With the overall economy sliding into recession, starting in late 2007, the indices have fallen since then, too (Figure 1).

	WASHINGTON	FHWA	CALIFORNIA	COLORADO	OREGON	SOUTH DAKOTA	UTAH	Composite
1990	89	91	96	73	79	84	73	83
1991	98	90	91	78	88	86	72	86
1992	87	88	90	78	81	84	72	83
1993	85	90	95	81	85	88	86	87
1994	85	96	100	84	83	90	77	88
1995	100	102	97	86	102	100	94	97
1996	100	100	100	100	100	100	100	100
1997	112	109	105	99	111	111	93	106
1998	94	106	108	111	105	112	83	103
1999	97	114	117	112	115	127	81	109
2000	103	122	123	120	110	135	75	113
2001	104	121	129	111	96	115	87	109
2002	112	123	119	106	121	116	87	112
2003	117	125	125	108	127	121	72	114
2004	137	128	182	118	120	152	87	132
2005	142	153	225	180	153	147	148	164
2006	184	184	236	180	184	185	167	189
2007	185		219	191	179	202	144	187
2008	194		213	233	214	208	176	206
2009	180		186	180	164	215	128	175

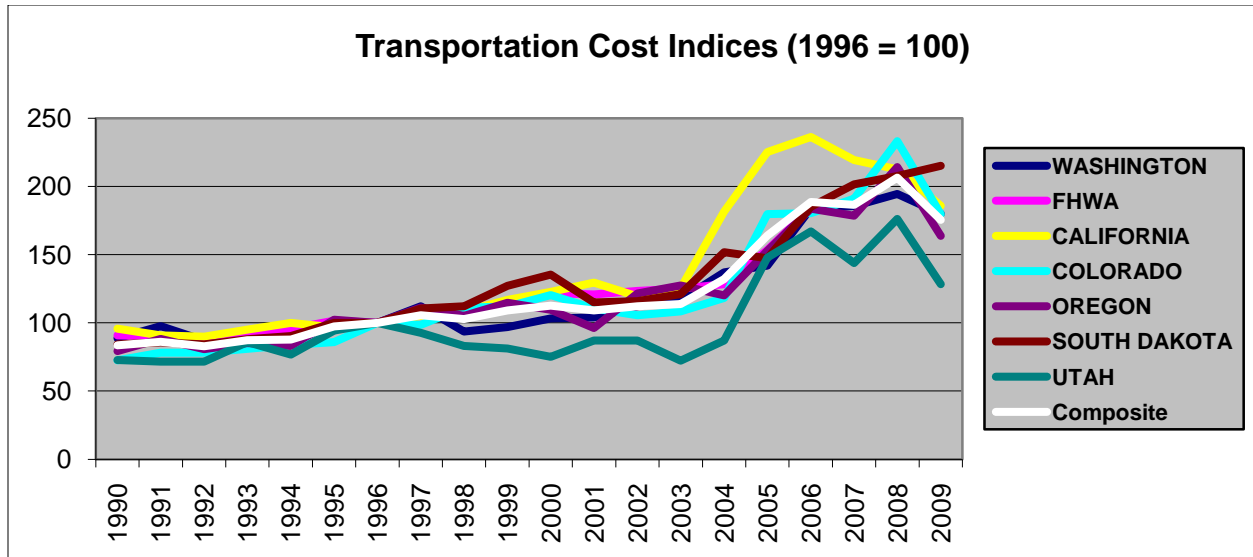


Figure 1 – Transportation Costs Indices

2. Highway Distribution Account Receipts

Table 2 shows the receipts for the Idaho Highway Distribution Account (HDA). In 2009, state funds, primarily from the HDA, accounted for 30% of Ada County Highway District’s (ACHD) revenues and 45% of Canyon County road agency’s revenues. For the Idaho Transportation Department (ITD), HDA provided 43% of its budget from 2008 to 2010. ITD relies upon the HDA for local match and its general operations and maintenance budget. The HDA provides a vital revenue stream to both local and state transportation investments.

The HDA depends on the 25 cents per gallon fuel tax for most of its revenue. The tax has remained unchanged since 1996, which is the reason 1996 is the base year used for the cost indices. Using the indices, Figure 2 illustrates how the deterioration of the real value of these dollars accelerated until 2008, when there was a gap of \$168 million between actual revenue and its adjusted value. In 2009, the adjusted value indicates the actual revenue has lost \$134 million in purchasing power compared to 1996 (Table 2).

Table 2.	Highway Distribution Account Receipts (In millions)													
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Actual	226	228	233	245	294	313	297	293	301	309	315	331	327	312
Adjusted	226	216	227	225	261	288	265	258	228	188	167	177	159	178

Notes: Adjusted Amounts Based on Composite Cost Indices.

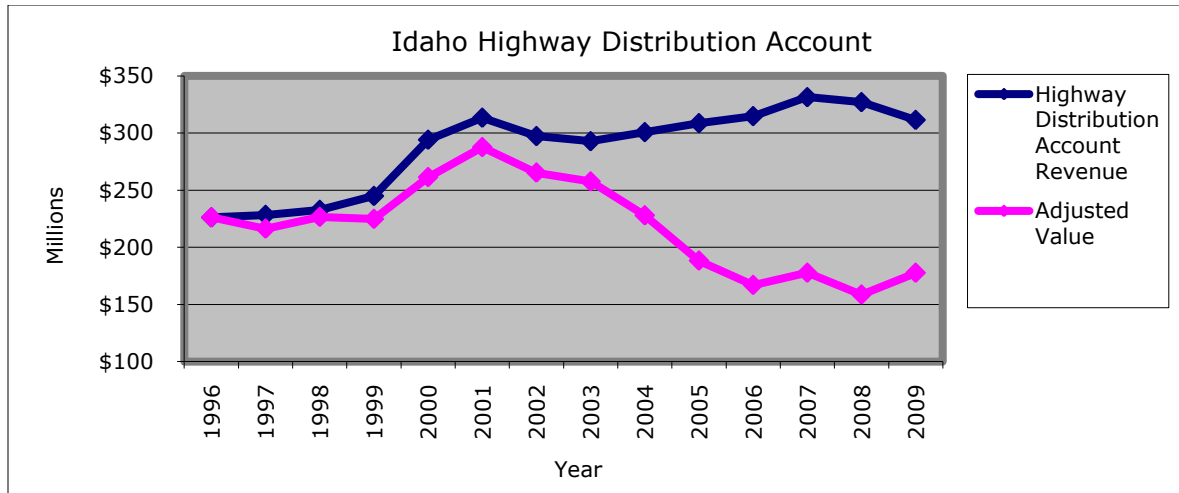


Figure 2 – Idaho Highway Distribution Account

The “real” revenue decline is due to two primary factors:

- Escalation in transportation costs.
- Generally stable level of fuel consumption despite the substantial population growth. This is due to a combination of more efficient vehicles and declines in travel as a response to higher oil prices and the economic downturn.

3. Idaho Transportation Department Revenues and Expenditures

Tables 3 and 4 depict the sources of revenue and the distribution of expenses for state surface transportation over a six-year period from 2005 to 2010. The primary source of state revenue is the HDA less the amount of funding that other agencies (such as local governments) receive from the account. Due to project expenses carrying over from one year to the next, revenues do not always equal expenditures every year. Some years revenues will exceed expenditures and during other years expenditures may exceed revenues.

Funding Categories	2005	2006	2007	2008	2009	2010
Federal	242,695	263,031	297,203	324,072	231,307	301,267
State	199,424	204,160	213,453	221,313	212,182	228,507
Local	5,152	2,472	10,102	12,878	3,354	4,407
Other	284	484	1,243	611	616	599
Transfer from Investment Pool		17,190	7,111	-	-	9,664
Transfer from other Funds	438	-	-	-	-	-
Total Funding	447,992	487,335	529,112	558,874	447,459	544,443

Expenditure Categories	2005	2006	2007	2008	2009	2010
Contract Construction & Right of Way	276,978	302,506	300,494	288,676	237,322	258,916
Highway Operations	126,157	132,600	131,908	142,842	148,051	152,001
Administration	19,985	20,640	20,508	21,023	21,395	22,960
Motor Vehicle Division	17,156	17,496	22,406	20,532	19,575	21,890
Public Transportation	4,175	4,934	7,277	10,642	7,898	9,749
Capital Facilities	3,798	4,063	7,252	2,478	2,800	2,913
Transportation Planning	3,596	5,217	4,733	4,891	6,193	5,308
Other	(954)	1,693	38,806	19,894	60,639	44,802
Total Expenditures	450,891	489,149	533,383	510,978	503,872	518,539

4. Local Roadway Agencies' Revenues and Expenditures

Ada and Canyon County revenues rely on a combination of local, state, and federal sources. The total revenues for Ada County (ACHD) and Canyon County (total of four highway districts plus the cities of Caldwell, Nampa, and Middleton) are shown in Table 5, below.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Ada County	53,384	57,217	52,732	53,045	64,679	70,921	68,224	72,295	78,761	70,251
Canyon County	16,625	18,431	16,662	18,047	19,446	21,665	22,186	23,783	25,394	25,789

Revenues for both counties have risen since 2000. In Figure 3, the composite construction cost index was applied to Ada and Canyon Counties total revenues using 2000 as the base year. The adjusted value reflects a decrease in purchasing power of nearly \$40 million in 2009, about a 60% reduction in the real value of the dollar since 2000.

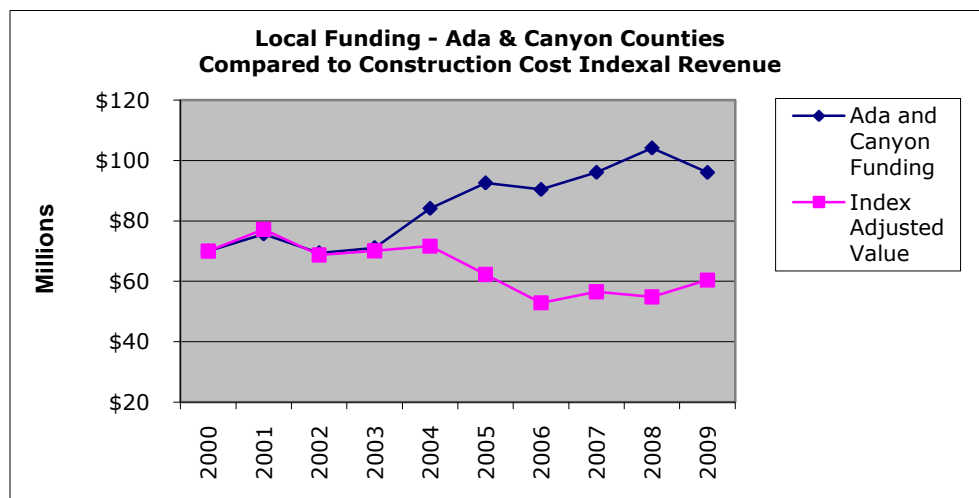


Figure 3 – Ada and Canyon County Total Roadway Revenues and Index Adjusted Values

State and local funds provided the bulk of revenues for both counties in 2009. Local funding accounted for 64% and 50% in Ada and Canyon Counties, respectively (Tables 6a and 7a). State funding accounted for 30% and 45% of Ada and Canyon Counties' total revenues. Property taxes constituted 70% of Ada County's local revenue and 74% of Canyon County's local revenue in 2009 (Tables 6b and 7b).

Table 6a. Ada County – Revenue Sources as a Percentage of Total Revenue										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Local	61.8%	61.6%	59.3%	61.7%	62.9%	65.8%	66.3%	67.0%	69.8%	63.6%
State	34.6%	34.5%	36.6%	36.5%	30.5%	28.8%	31.0%	31.2%	28.7%	30.4%
Federal	3.6%	3.9%	4.2%	1.8%	6.6%	5.4%	2.7%	1.8%	1.6%	6.0%

Table 6b. Ada County – Revenue Sources as a Percentage of Local Revenue										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Tax	48.4%	48.9%	58.6%	59.4%	52.0%	48.8%	55.1%	56.5%	53.8%	70.3%
Registration Fees	10.1%	9.5%	10.8%	10.6%	8.8%	8.1%	9.0%	8.6%	7.6%	15.0%
Impact Fees	25.9%	32.9%	14.7%	15.5%	26.2%	31.1%	24.4%	23.2%	23.3%	7.3%
Other Funds	15.6%	8.7%	15.9%	14.6%	13.0%	11.9%	11.5%	11.7%	15.3%	7.4%

Table 7a. Canyon County – Revenue Sources as a Percentage of Total Revenue										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Local	44.3%	43.6%	43.9%	48.2%	46.4%	49.7%	48.1%	49.1%	48.1%	50.3%
State	55.3%	52.9%	55.0%	51.6%	51.7%	48.9%	51.3%	50.8%	47.3%	44.6%
Federal	0.5%	3.5%	1.1%	0.2%	1.8%	1.4%	0.6%	0.0%	4.6%	5.0%

Table 7b. Canyon County - Revenue Sources as a Percentage of Local Revenue										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Tax	64.8%	67.0%	78.5%	74.8%	68.4%	64.1%	71.8%	70.8%	74.8%	74.4%
Registration Fees	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.2%	0.2%	0.1%	0.2%
Impact Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
Other Funds	35.2%	33.0%	21.5%	25.2%	31.4%	35.6%	28.0%	29.0%	25.1%	24.9%

Tables 8 and 9 display expenditures for Ada and Canyon Counties. In both counties, reconstruction and maintenance account for the largest portion of the expenditures, even though the amount spent on reconstruction has declined since 2007.

Table 8. Ada County Expenditures as a Percentage of Total										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Construction	24%	16%	11%	6%	3%	4%	6%	4%	12%	22%
Reconstruction	21%	22%	25%	23%	37%	31%	25%	38%	30%	20%
Right of Way & Engineering	17%	17%	18%	21%	16%	19%	28%	15%	9%	10%
Routine Maintenance	22%	26%	23%	28%	21%	23%	22%	19%	22%	26%
Equipment	7%	7%	8%	7%	9%	8%	6%	6%	8%	4%
Total Administration & Other	9%	13%	14%	14%	14%	15%	14%	17%	19%	18%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Construction	10%	16%	10%	10%	8%	7%	13%	3%	9%	4%
Reconstruction	39%	28%	34%	33%	37%	28%	34%	30%	27%	28%
Right of Way & Engineering	3%	4%	9%	5%	5%	8%	5%	8%	8%	6%
Routine Maintenance	19%	18%	21%	21%	19%	19%	18%	23%	19%	24%
Equipment	14%	15%	12%	12%	12%	18%	12%	18%	17%	17%
Total Administration & Other	15%	19%	15%	19%	20%	20%	18%	19%	21%	20%

5. Roadway Maintenance Activity

Maintenance and reconstruction, the latter of which can incorporate capacity expansion, are large consumers of the transportation dollar. While limited information was available about trends in pavement conditions, information about the number of miles of various seal coatings done between 2005 and 2009 is included in Figures 4 and 5 below. Seal coats are thin layers of asphalt, sometimes combined with gravel, designed to improve traction and impermeability of the asphalt. This is somewhat akin to painting a house; the paint protects the wood that is still sound, but painting rotten wood is an exercise in futility.

Pavement management systems are designed to track the quality of roadways and rationally allocate resources to maintenance. As noted by the Local Highway Technical Advisory Council "Far too often, the maintenance program consists only of rehabilitating and/or reconstructing roads in poor condition. Since these repairs are very expensive, this type of approach will quickly deplete a maintenance budget, leaving little or no money for preventive maintenance."¹ The Local Highway Technical Assistance Council recently implemented a system with Idaho roadway agencies to use a pavement management system. Data from the system can be used to develop an annual pavement condition report that tracks whether pavement conditions are improving, stable, or deteriorating.

The following figures are based on reported maintenance from 2005 through 2009. The figures show the amount of seal-coating and overlay work and compare it to a rule-of-thumb standard that a roadway should be seal-coated every seven years and overlaid (2 inches or more of asphalt) every 20 years. The figures suggest that, overall; more resources are needed for roadway maintenance.

¹ Local Highway Technical News. Vol. 11, No. 7a. Local Highway Technical Advisory Council. Boise, ID.

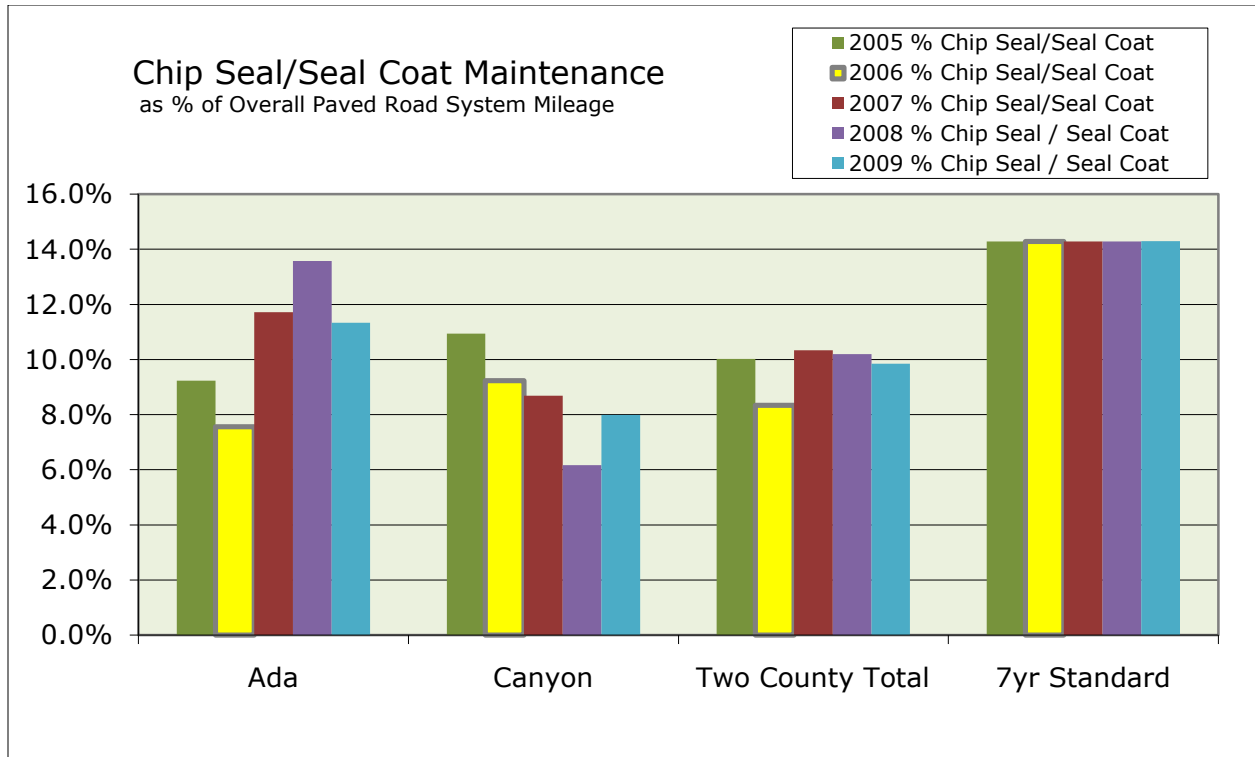


Figure 4 – Chip Seal/Seal Coat Maintenance

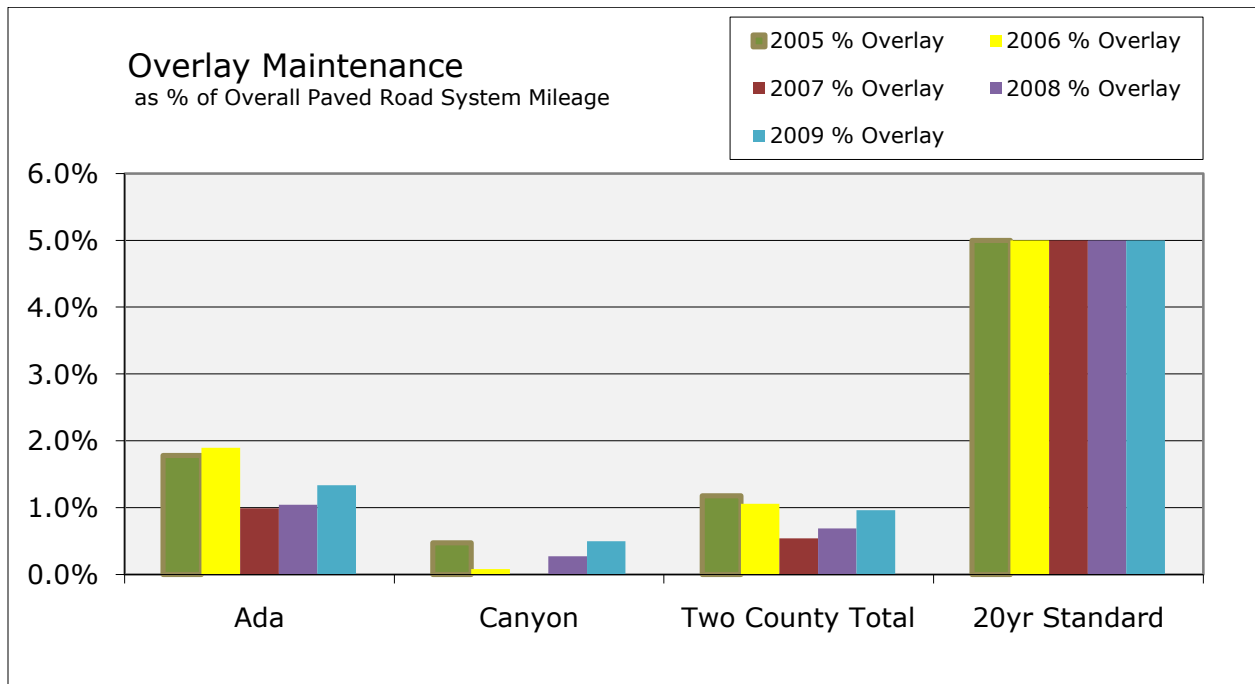


Figure 5 - Overlay Maintenance

6. Transit

The measurement of transit revenue is done from a peer group perspective to analyze how this region's investment in transit compares with areas that are roughly comparable.

The data in Table 10 are taken from National Transit Database reports for fiscal year 2009. The data indicate that this region invests substantially less (\$29.17 per capita) compared to the peer-group average of \$102.46 per capita.

Table 10. Service Area Performance Statistics for Fiscal Year 2009

Service-Area PERFORMANCE STATISTICS - FISCAL YEAR 2009												
#	AREA	Population	Local Revenue / Capita	Subsidy/ Capita	Farebox Ratio *	Public Dollars per Trip	Operating \$ per Capita	Oper \$ per Trip	Trips/ Capita	Revenue Miles/ Capita	Revenue Hours/ Capita	Passenger Miles/ Rev Miles
1	Iowa City, IA**	138,398	\$15.87	\$34.23	13.4%	\$0.78	\$61.04	\$1.39	43.8	12.8	1.1	66.4
2	Fort Collins, CO	118,652	\$41.23	\$55.34	12.5%	\$3.37	\$65.60	\$4.00	16.4	9.0	0.8	45.8
3	Abilene, TX	107,051	\$0.54	\$25.79	0.8%	\$4.75	\$27.24	\$5.01	5.4	9.6	0.7	23.8
4	Springfield, IL	132,100	\$12.20	\$76.16	8.5%	\$5.93	\$84.47	\$6.58	12.8	11.9	0.9	35.6
5	Topeka, KS	122,377	\$14.44	\$49.45	16.4%	\$3.65	\$60.32	\$4.45	13.6	12.6	0.8	52.6
6	Boise/Nampa, ID	272,625	\$22.30	\$25.43	12.0%	\$4.80	\$29.17	\$5.50	5.3	6.0	0.4	26.7
7	Salem, OR	206,500	\$47.71	\$119.92	12.4%	\$4.74	\$140.76	\$5.57	25.3	27.4	1.8	106.8
8	Reno, NV	319,977	\$7.30	\$76.15	22.5%	\$2.80	\$106.07	\$3.91	27.2	14.4	1.1	89.3
9	Lincoln, NE	254,794	\$21.09	\$30.18	15.2%	\$4.29	\$36.18	\$5.15	7.0	7.1	0.5	21.4
10	Eugene, OR	291,600	\$80.23	\$97.18	18.7%	\$2.38	\$126.93	\$3.10	40.9	16.7	1.3	157.3
11	Stockton, CA	564,539	\$33.67	\$47.26	17.1%	\$5.55	\$57.29	\$6.73	8.5	7.1	0.5	54.0
12	Madison, WI	245,181	\$63.03	\$156.81	21.5%	\$2.77	\$195.31	\$3.45	56.6	26.9	2.0	199.1
13	Bakersfield, CA	452,671	\$26.19	\$34.80	22.9%	\$2.08	\$46.44	\$2.77	16.7	8.9	0.7	60.2
14	Lansing, MI	277,316	\$56.53	\$99.99	21.2%	\$2.44	\$129.09	\$3.15	41.0	20.6	1.5	138.4
15	Spokane, WA	394,120	\$98.34	\$120.94	14.6%	\$4.01	\$136.45	\$4.53	30.2	23.7	1.6	132.6
16	Tacoma, WA	754,655	\$0.00	\$87.73	18.0%	\$4.25	\$145.49	\$7.06	20.6	19.6	1.2	110.9
17	Albuquerque, NM	498,000	\$64.28	\$66.20	11.5%	\$3.01	\$81.65	\$3.71	22.0	13.9	1.0	76.4
18	Tucson, AZ	544,000	\$76.14	\$93.27	17.4%	\$2.30	\$113.91	\$2.81	40.5	20.2	1.6	157.9
19	Salt Lake City, UT	1,744,417	\$0.00	\$89.49	18.7%	\$4.19	\$104.87	\$4.92	21.3	19.0	1.0	146.7
20	Austin, TX	892,102	\$147.34	\$165.20	9.8%	\$3.74	\$162.36	\$3.67	44.2	22.2	1.6	205.7
21	Chattanooga, TN	155,554	\$24.76	\$59.94	25.8%	\$2.97	\$98.05	\$4.85	20.2	16.1	1.2	68.2
22	Portland, OR	1,488,169	\$131.12	\$174.43	25.5%	\$2.39	\$245.49	\$3.37	72.9	25.6	2.0	316.1
AVERAGE		453,400					\$102.46					

Source: U.S. Department of Transportation. Federal Transit Administration. National Transit Database Report for FY 2009.
 Reports found in November 2010 at <http://www.ntdprogram.gov/ntdprogram/links.htm>
 This report is only available for areas receiving FTA Section 5307 funds.
 Some regions have not updated their service area population data since the 2000 Census.
 * Farebox ratio is the percent of operating costs covered by fares.
 ** Data from two services must be combined.

T:\FY10\600 Projects\692 Regional Trans Funding\2010 Report\PEER FY2009.xlsx\STATISTICS

Trips per capita for the Boise/Nampa region is the lowest out of all other regions listed in Table 10. To increase trips per capita in this area, revenue hours per capita needs to increase first. Figure 6 illustrates that as revenue hours per capita increases, so do trips per capita.

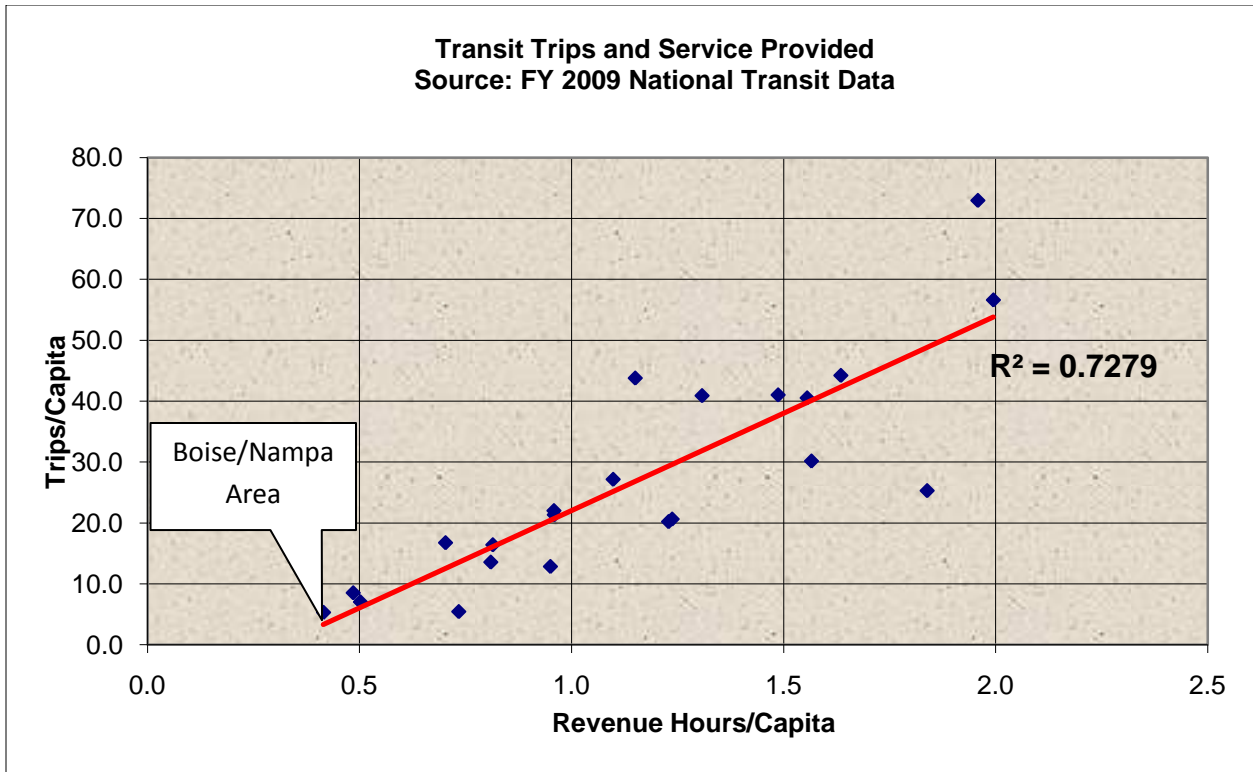


Figure 6 - Transit Trips and Service Provided

Figures 7 and 8 provide ValleyRide’s financial data back to 2000. Note that starting in 2002, the data include transit statistics for services in Ada and Canyon Counties.

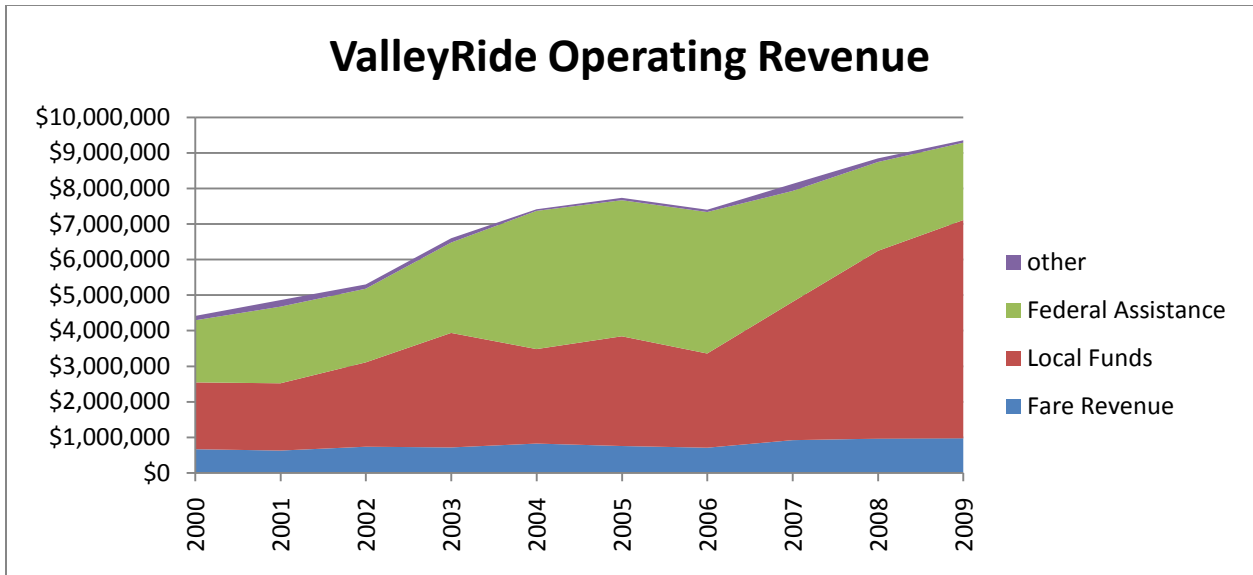


Figure 7. ValleyRide Operating Revenue

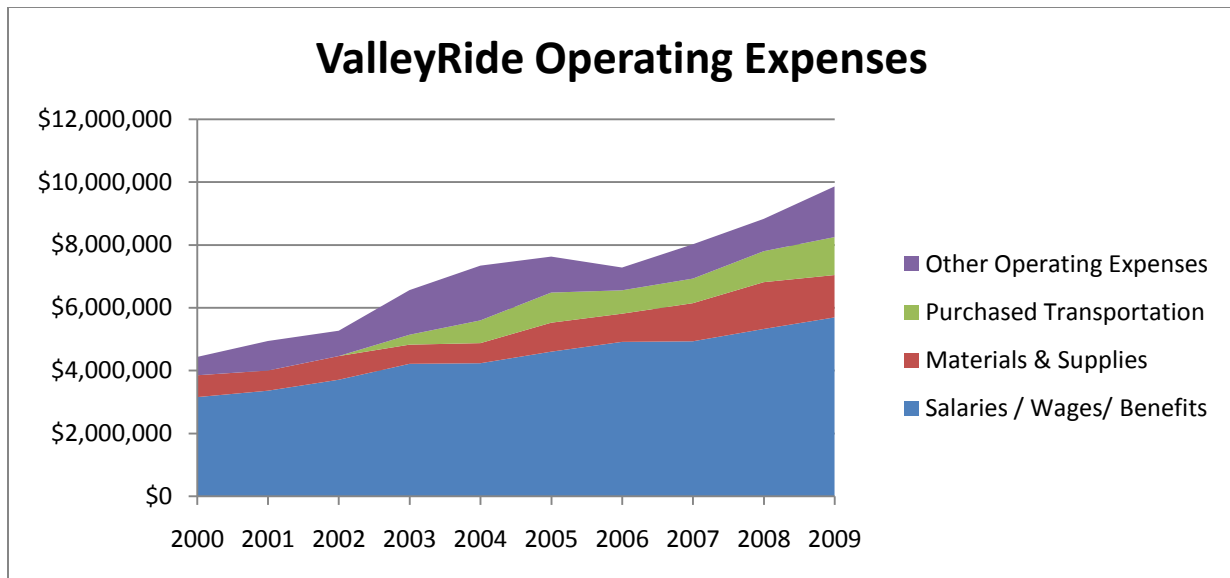


Figure 8. ValleyRide Operating Expenses

Fares accounted for 10% of the total revenue in 2009 compared to 13% in 2000. Federal revenues increased in 2002 due to new allocations based on urbanized area populations, but flattened in 2004 as revenue constraints at the federal level took effect. Labor costs accounted for 60% of the operating expenses in 2009, down from 71% in 2000 (Figure 8). The primary factor in this decrease is the rise in “purchased transportation” services starting in 2003.

The reliance on federal funding will be a major challenge in future years, especially if the Nampa/Caldwell urbanized area exceeds a population of 200,000 in 2010. Should this determination be made by the US Census, starting in 2012 no federal funding under Section 5307—the program providing the vast bulk of federal dollars—could be used for operating costs. In 2009, operating costs represented about 88% of the total costs.

7. Conclusions

Transportation finances have been affected by the downturn in the overall economy: the construction cost indices have come down some since 2008, and Highway Distribution Account receipts have also fallen. Reliance on federal funding continues to be a challenge, and the lack of local funding sources is particularly troublesome for public transportation.