

**North Carolina Department of Transportation
Public Transportation Division**

Five-Year Budget Plan

Executive Summary



Public Transportation Division

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Raleigh, NC 27601

AECOM

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Acknowledgements

The NCDOT Public Transportation Division's (PTD) 2015 Funding Study provides a framework to manage the federal and state funding programs within North Carolina while generating a five-year budget plan. Several organizations were involved in the Study and are acknowledged below.

A second document called *FTA Formula Program: 5307 and 5340 FTA Funding Allocations for North Carolina Transit Systems in Urbanized Areas* looks at the issues of urbanization and growth as it affects FTA formula distributions. A methodology to educate how FTA funds are returned to NC is also included. It can be requested from NCDOT.

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PTD Funding Study Advisory Committee Members

The NCDOT Public Transportation Division greatly appreciates the involvement of our Advisory Committee members. Your commitment to and engagement in this project are greatly appreciated. Thank you!

Organization

Buncombe County
Choanoke Public Transportation Authority
Clay County Transportation
Davidson County Transportation
Fayetteville Area System of Transit
Go Raleigh
Go Triangle
Go Triangle
Greensboro Transit Authority
Guilford County Transportation
Harnett Area Rural Transit System
Harnett Area Rural Transit System
Hoke Area Transit
Intercounty Public Transportation Authority
Kerr Area Transportation Authority
Lee County Transit System
Lee County Transit System
Mitchell County
NCDOT Deputy Secretary
NCDOT Fiscal
Onslow United Transit System, Inc.
Richmond Interagency Transportation
Salisbury Transit
Swain County
Town of Cary
Transportation Admin of Cleveland County
Wake County Human Services
Yadkin Valley Public Transportation

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Executive Summary

The five-year budget plan was developed to provide a statewide plan for state transit funding consistent with the best available information about economic developments, policy trends, federal funding, and community needs. The plan establishes a starting point for developing each year's budget as these factors evolve.

In addition to the plan for existing sources of funding, five new increments of funding are proposed to fill funding gaps: a regionalization and consolidation incentive program to offset the discontinuation of 5311 non-urbanized area operating assistance and encourage regionalization, additional funding for the State Maintenance Assistance Program to match the growth in urbanization, additional state matching funds to meet the growing urbanized area vehicle replacement needs, new funding to meet the unmet vehicle replacement vehicle/facility needs and additional funding for rural employment transportation. These new funding proposals have been added to the funding plan projections as new programs.

Five-Year Plan

The five-year plan consists of funding projections for all federal and state programs administered by the Public Transportation Division (PTD). The period of the plan is from North Carolina Fiscal Year 2018 - 2022.

No new funding legislation is assumed in the five-year plan. Future funding will come from the same programs currently generating funding.

Funding from federal programs is escalated at 2 percent per year, which is an average growth rate of the federal programs administered by PTD over the past eight years. Funding from state programs is assumed to be constant from Fiscal Year 2016, the last year with approved state budget data, to 2022, the last year of the budget period.

The plan is organized according to the inherent structure of the PTD program:

- 1) Grant Expenditures
 - a. Non-Urbanized Area grants
Administration grants, operating, capital and other
 - b. Urbanized Area (UZA) grants
Operating grants, capital, and other
 - c. All (multiple types of) grantees
Transportation Demand Management, Apprentices/Interns, Traveler's Aid, and Demonstration Grants
- 2) State Direct Spending (state administration)

Grants

The plan is based on a new funding program structure within the discretion afforded by current federal and state law. This structure was developed after consultation with an industry advisory committee as an outcome of Step One of this study. Under the new funding structure, funding is reserved for discretionary grants with priority for revenue vehicle replacement for non-urbanized area grantees, and a formula is adopted for 5311 allocation that is more equitable than the historically applied administrative funding caps. The formula is composed of three tiers:

- Base tier: a fixed amount of \$30,000 will be allocated to each county served by a community transportation system. It is to recognize the administrative costs of a system incurred by even the smallest county systems;
- Needs tier: funding from this tier is based on needs for community transportation. The federal formula for apportioning Section 5311 funds among states – based on rural population, rural land area, low-income population, and revenue vehicle miles – is adopted for funding allocation among North Carolina counties in this tier. This allocation method equitably aligns federal funding generated by a grantee for the state (which is based in part on indicators of need for transit service funding) with the amount the grantee receives;
- Performance tier: this last tier accounts for 10 percent of total 5311 and 5340 grantee administration funding. Allocation is based on the number of unlinked passenger trips a grantee carries in the last year with available data. This tier rewards grantees who serve more passenger trips. *Note: The study uses unlinked passenger trips but PTD is committed to making sure this tier generates an equitable, desired result. One proposal under consideration would develop a performance scorecard based on a series of performance areas.*

The section 5311 formula funding will be available to grantees as either administration funding (with an 80 percent federal and 5 percent state share) or general operating funding (with a 50 percent federal share). Funding would transition from the 2017 levels to the new structure over three years. The five-year plan is presented in Table ES-1 and Table ES-2. The two tables present the same plan in two different formats.

Table ES-1 organizes the plan data by funding purpose (e.g., administration, capital, operating, or other) and by grantee type (non-urbanized area grantees, urbanized area grantees, all grantees, or state direct spending). The plan shows that more funding will be available for administration and capital projects for non-urbanized area grantees, as 5311 and 5340 operating funding is redistributed for administration and capital projects. The “Additional state funds” in the column “Funding Program” are state funding over which PTD has discretion.

Table ES-2 organizes the plan data by program. It resembles the format of PTD’s state program certified budget and provides an overview of the statewide plan in a format familiar to PTD staff.

State Direct Spending

State direct spending (PTD spending other than grants) is projected for the plan period (FY 2018-2022).

It is assumed salaries of federally funded positions will grow at 2 percent, and the other positions at 1.6 percent – the rate of increase in the national consumer price index (CPI) from August 2014 to August 2015. Fringe benefits are assumed to remain at the current level of 56.06 percent of salaries for permanent positions and 12 percent for temporary positions. A vacancy rate of 10 percent is assumed.

Costs of consulting services were estimated by PTD in compliance, safety oversight, drug and alcohol testing, planning, training, and special studies. An escalation rate equal to CPI (1.6 percent) is applied to these contract expenditures.

Other administrative costs such as employee travel, software, indirect costs and supplies and materials are projected based on the last two years' actual levels, escalated at a 1.6 percent annual rate.

Table ES-3 shows the projected PTD direct spending for 2018 – 2022. A funding shortfall for state administration is projected in 2018. To maintain the same level of activities, PTD would continue to have a funding shortfall in 2019 – 2022. Towards the end of Table 1, the row “Drawn from Prior Years' Unobligated Federal Funds” is the projected need to draw from prior year's unobligated federal funds to balance the funding shortfall. These funds are expected to balance the need for more than the five-year plan period.

Area of Issues for Further Considerations – Capital Needs – Urban and Rural

Funding for vehicle replacement in non-urbanized areas was sufficient until FY2015, when not all needs were met. To remedy that shortage, the new funding structure provides an additional \$1 million federal and state capital funding per year. Along with additional local match, that would allow PTD to replace 15 to 20 more vehicles per year. But available capital funding would be just enough to fully fund the annualized vehicle replacement needs. Very little would be left for facility projects. Preliminary estimates in the Transit Asset Management planning process shows up to \$21 million in unfunded replacement vehicle needs and \$5 million in facility needs.

Growing urbanized area vehicle replacement is not adequately funded from existing sources. A state 10 percent match to a prudent urbanized area vehicle replacement program will require new state funding of \$2 million per year in addition to over \$3 million in the plan and in the projections for existing sources. This new program amount is included as an unfunded program.

The Strategic Transportation Investment (STI) data driven process selects transit projects in expansion vehicles, facilities and fixed guideway categories. Projects selected in STI are eligible for

- a state match; and
- Federal funding in the programs managed by NCDOT.

Area of Issues for Further Considerations – Operating Needs – Urban and Rural

a. Regional/Consolidation Incentives

Currently PTD allocates 5311 funding for operating to several regional and consolidated systems. Under the new funding structure, the 5311 formula funding replaces this as well as the more widely distributed

administrative funding, but PTD should continue to provide other incentives for regionalization and consolidation. Such incentives will continue to include PTD's prioritization of full funding for regional planning and implementation studies to develop regional systems and an advantageous position with regard to advanced technology funding, because regional systems are more likely to satisfy the minimum daily passenger trips requirements. Formalizing these incentives in policy statements together with one-time transition funding (which could include operating and capital) would reflect the advantage to the state of consolidation while also preserving the equity reflected in the formula funding structure. In addition, the planned "base tier" of 5311 grantee administration funding allocation formula also incentivizes regionalization by awarding regional systems base amounts that equal the product of the number of counties they serve and the per-county base amount of \$30,000.

In addition to the projections of existing sources in the plan, a new non-urbanized area regionalization and consolidation incentive program is proposed in part to replace the discontinued 5311 operating funds. This program would require \$1.5 million in annual state funding. These are included in the funding plan in a new/unfunded category.

b. State Maintenance Assistance Program

The current State Maintenance Assistance Program provides operating assistance to fixed-route transit systems. With urbanization, the number of systems and needs are growing. PTD will review the eligibility and allocation formula. Additional funding will be needed in this program, and is currently included in the plan's unfunded category.

c. Rural employment transportation

The current Rural Operating Assistance Program (ROAP) provides funding for employment, rural general public and elderly and disabled transportation. All of this funding is geared to support trips for passengers that do not qualify for funding under another program. There is a request for additional funding. PTD will evaluate the ROAP program, flexibility, funding program and needs. Additional funding will be needed for this program.

Area of Issues for Further Considerations – Grantee Administration Funding

Under the proposed new funding structure, those grantees that currently receive more 5311 administration funding than they generate for the state would lose the most funding. For grantees with the greatest losses, PTD could consider offering temporary administration assistance. The temporary funding assistance could come from prior years' unobligated federal funds. PTD is committed to working with every system to ensure a healthy transition and continued success.

Table ES - 1 Public Transportation Division, Five-Year Budget Plan (FY2018 – 2022) by Funding Purpose and Grantee Type

Grants/ State Direct Spending	(Sub)Recipient	Funding Purpose	Funding Program	Funding Source	Base Year	Projected	Projected	Projected	Projected	Projected	
					2016/2017	2018 (Transition)	2019 (Transition)	2020	2021	2022	
Subrecipient Grants	Non-UZA Grantees	Admin & Optional Operating	5311 and 5340 (non-UZA)	Federal	\$12,352,690	\$12,912,830	\$13,344,849	\$13,788,984	\$14,064,763	\$14,346,059	
			5311 Appalachian	Federal	\$1,305,000	\$1,331,100	\$1,357,722	\$1,384,876	\$1,412,574	\$1,440,825	
			5311 and 5340 state match	State	\$772,043	\$801,105	\$831,020	\$861,811	\$879,048	\$896,629	
			5311 Appalachian state match	State	\$81,563	\$83,194	\$84,858	\$86,555	\$88,286	\$90,052	
			Additional state funds	State	\$1,034,049	\$1,086,060	\$1,067,627	\$1,048,021	\$1,068,981	\$1,090,361	
		Operating	5311 and 5340 (non-UZA)	Federal	\$1,085,153	\$752,662	\$383,858	\$-	\$-	\$-	
			5310 (non-UZA, operating)	Federal	\$1,192,449	\$-	\$-	\$-	\$-	\$-	
			ROAP	State	\$16,807,528	\$16,807,528	\$16,807,528	\$16,807,528	\$16,807,528	\$16,807,528	
		Capital	5311 and 5340 (non-UZA)	Federal	\$6,402,658	\$6,867,301	\$7,214,742	\$7,573,334	\$7,724,801	\$7,879,297	
			5339 (non-UZA)	Federal	\$1,250,000	\$1,300,500	\$1,326,510	\$1,353,040	\$1,380,101	\$1,407,703	
			5310 (non-UZA)	Federal	\$1,094,857	\$1,308,842	\$1,335,019	\$1,361,719	\$1,388,954	\$1,416,733	
			5311 and 5340 state match	State	\$800,332	\$858,413	\$901,843	\$946,667	\$965,600	\$984,912	
			5339 (non-UZA) state match	State	\$156,250	\$162,563	\$165,814	\$169,130	\$172,513	\$175,963	
			5310 (non-UZA) state match	State	\$136,857	\$163,605	\$166,877	\$170,215	\$173,619	\$177,092	
			Additional state funds	State	\$3,188,342	\$2,965,666	\$3,024,980	\$3,085,479	\$3,147,189	\$3,210,132	
		Other	5311 Intercity	Federal	\$3,968,100	\$4,128,412	\$4,210,980	\$4,295,199	\$4,381,103	\$4,468,725	
			5310 (non-UZA, operating contracts)	Federal	\$-	\$1,070,871	\$1,092,288	\$1,114,134	\$1,136,417	\$1,159,145	
			5311 Intercity state match	State	\$681,000	\$708,512	\$722,683	\$737,136	\$751,879	\$766,917	
			5310 (non-UZA, operating contracts) state match	State	\$-	\$133,859	\$136,536	\$139,267	\$142,052	\$144,893	
		UZA Grantees	Operating	5310 (small UZA, operating)	Federal	\$626,771	\$-	\$-	\$-	\$-	\$-
				SMAP	State	\$30,528,557	\$30,528,557	\$30,528,557	\$30,528,557	\$30,528,557	\$30,528,557
			Capital	5339 (small UZA)	Federal	\$1,153,624	\$1,200,230	\$1,224,235	\$1,248,720	\$1,273,694	\$1,299,168
				5310 (small UZA)	Federal	\$575,475	\$687,950	\$701,709	\$715,743	\$730,058	\$744,659
				5339 (small UZA) state match	State	\$144,203	\$150,029	\$153,029	\$156,090	\$159,212	\$162,396
				5310 (small UZA) state match	State	\$63,167	\$85,994	\$87,714	\$89,468	\$91,257	\$93,082
				5307 state match	State	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000
			Other	5303 (planning)	Federal	\$2,057,497	\$2,140,620	\$2,183,432	\$2,227,101	\$2,271,643	\$2,317,076
				5310 (small UZA, operating contracts)	Federal	\$-	\$562,868	\$574,125	\$585,608	\$597,320	\$609,266
	5303 state match			State	\$256,937	\$267,317	\$272,664	\$278,117	\$283,679	\$289,353	
	5310 (small UZA, operating contracts) state match			State	\$-	\$70,358	\$71,766	\$73,201	\$74,665	\$76,158	
	Urban Technology Program			State	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	
	All Grantees		Other	Travel Demand Management	State	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Apprenticeship Program	State			\$352,830	\$352,830	\$352,830	\$352,830	\$352,830	\$352,830		

Grants/ State Direct Spending	(Sub)Recipient	Funding Purpose	Funding Program	Funding Source	Base Year	Projected	Projected	Projected	Projected	Projected	
					2016/2017	2018 (Transition)	2019 (Transition)	2020	2021	2022	
			Traveler's Aid	State	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	
			Demonstration Grant	State	\$400,669	\$400,669	\$400,669	\$400,669	\$400,669	\$400,669	
	State Legislated	Other	International Trade Show	State	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	
		Capital	New Start state match (Blue Line Extension)	State	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	
State Direct Spending		Administration	5311 state administration	Federal	\$1,945,400	\$2,023,994	\$2,064,474	\$2,105,764	\$2,147,879	\$2,190,836	
			5311 Appalachian state administration	Federal	\$145,000	\$150,858	\$153,875	\$156,953	\$160,092	\$163,294	
			5310 state administration	Federal	\$298,614	\$310,678	\$316,892	\$323,230	\$329,694	\$336,288	
			State general appropriation	State	\$413,044	\$413,044	\$413,044	\$413,044	\$413,044	\$413,044	
			5311 planning	Federal	\$700,000	\$728,280	\$742,846	\$757,703	\$772,857	\$788,314	
			5311 RTAP	Federal	\$414,714	\$431,468	\$440,098	\$448,900	\$457,878	\$467,035	
			5304 statewide planning	Federal	\$448,928	\$467,065	\$476,406	\$485,934	\$495,653	\$505,566	
			5329 (e) state safety oversight	Federal	\$339,846	\$353,576	\$360,647	\$367,860	\$375,217	\$382,722	
			5304 state match	State	\$112,232	\$116,766	\$119,101	\$121,484	\$123,913	\$126,391	
			5329 (e) state match	State	\$84,962	\$88,394	\$90,162	\$91,965	\$93,804	\$95,680	
			AssetWorks	State	\$686,777	\$686,777	\$686,777	\$686,777	\$686,777	\$686,777	
			Cost Allocation (DOT)	State	\$1,045,672	\$1,045,672	\$1,045,672	\$1,045,672	\$1,045,672	\$1,045,672	
					Drawn from Prior Years' Unobligated Federal Funds	Federal		\$335,810	\$363,354	\$486,386	\$516,229
			Total Grantee Allocation		\$119,397,103	\$120,818,944	\$121,654,962	\$122,507,699	\$123,377,492	\$124,264,680	
			Total State Direct Spending		\$6,635,189	\$7,152,383	\$7,273,349	\$7,491,670	\$7,618,710	\$7,747,925	
			Total Federal Funding	Federal	\$37,356,778	\$38,730,105	\$39,504,707	\$40,294,801	\$41,100,697	\$41,922,711	
			Total State Funding	State	\$88,675,514	\$88,905,412	\$89,060,249	\$89,218,182	\$89,379,274	\$89,543,588	
			Grand Total		\$126,032,292	\$127,635,517	\$128,564,956	\$129,512,984	\$130,479,972	\$131,466,300	
Funding Needs Identified											
		Operating	Regionalization/Consolidation Operating Assistance	State	\$1,500,000	\$1,500,000	\$2,000,000	\$2,100,000	\$2,300,000	\$2,500,000	
			State Maintenance Assistance Program – New	State	\$2,000,000	\$2,000,000	\$2,000,000	\$2,200,000	\$2,200,000	\$2,200,000	
			Rural Employment Transportation *	State	\$500,000	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000	
		Capital	Urban Capital Match - New	State	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	
			Rural unfunded facilities & replacement vehicles **	State		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	
					\$6,400,000	\$9,400,000	\$9,900,000	\$10,700,000	\$10,900,000	\$11,100,000	
			* to be determined during 2016-2017 strategic planning process								
			** to be determined in transit asset management planning								

Table ES - 2 Table 2 Public Transportation Division, Five-Year Budget Plan (FY2018 – 2022) by Funding Purpose and Grantee Type

Funding Source	Base Year	Projected	Projected	Projected	Projected	Projected
	2016/2017	2018 (Transition)	2019 (Transition)	2020	2021	2022
Federal Programs						
5311 Grantee Administration	\$12,352,690	\$12,912,830	\$13,344,849	\$13,788,984	\$14,064,763	\$14,346,059
5311 Grantee Capital	\$6,402,658	\$6,867,301	\$7,214,742	\$7,573,334	\$7,724,801	\$7,879,297
5311 Grantee Operating	\$1,085,153	\$752,662	\$383,858	\$-	\$-	\$-
5311 State Administration	\$1,945,400	\$2,023,994	\$2,064,474	\$2,105,764	\$2,147,879	\$2,190,836
5311 RTAP	\$414,714	\$431,468	\$440,098	\$448,900	\$457,878	\$467,035
5311 Planning	\$700,000	\$728,280	\$742,846	\$757,703	\$772,857	\$788,314
5311 Inter-City	\$3,968,100	\$4,128,412	\$4,210,980	\$4,295,199	\$4,381,103	\$4,468,725
5311 Appalachian Grantee Administration	\$1,305,000	\$1,331,100	\$1,357,722	\$1,384,876	\$1,412,574	\$1,440,825
5311 Appalachian State Administration	\$145,000	\$150,858	\$153,875	\$156,953	\$160,092	\$163,294
5303 Planning	\$2,057,497	\$2,140,620	\$2,183,432	\$2,227,101	\$2,271,643	\$2,317,076
5304 State Planning & Research	\$448,928	\$467,065	\$476,406	\$485,934	\$495,653	\$505,566
5310 Rural Grantee Operating	\$1,192,449	\$-	\$-	\$-	\$-	\$-
5310 Rural Grantee Capital	\$1,094,857	\$1,308,842	\$1,335,019	\$1,361,719	\$1,388,954	\$1,416,733
5310 Rural Grantee Operating Contracts	\$-	\$1,070,871	\$1,092,288	\$1,114,134	\$1,136,417	\$1,159,145
5310 Small Urban Grantee Operating	\$626,771	\$-	\$-	\$-	\$-	\$-
5310 Small Urban Grantee Capital	\$575,475	\$687,950	\$701,709	\$715,743	\$730,058	\$744,659
5310 Small Urban Grantee Operating Contracts	\$-	\$562,868	\$574,125	\$585,608	\$597,320	\$609,266
5310 State Administration	\$298,614	\$310,678	\$316,892	\$323,230	\$329,694	\$336,288
5339 Rural Grantee Capital	\$1,250,000	\$1,300,500	\$1,326,510	\$1,353,040	\$1,380,101	\$1,407,703
5339 Small Urban Grantee Capital	\$1,153,624	\$1,200,230	\$1,224,235	\$1,248,720	\$1,273,694	\$1,299,168
5329 (e) State Safety Oversight	\$339,846	\$353,576	\$360,647	\$367,860	\$375,217	\$382,722
Total Federal Funding	\$37,356,778	\$38,730,105	\$39,504,707	\$40,294,801	\$41,100,697	\$41,922,711
State Programs						
State Wide Grant Program	\$5,856,233	\$6,161,502	\$6,188,181	\$6,214,868	\$6,268,877	\$6,323,965
International Trade Show Transportation	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Rural Programs						
Rural Capital Program (Vehicles Tech., Facility)	\$4,281,782	\$4,150,247	\$4,259,513	\$4,371,491	\$4,458,921	\$4,548,099
Rural Intercity Program	\$681,000	\$708,512	\$722,683	\$737,136	\$751,879	\$766,917
Rural General Public	\$6,972,170	\$6,972,170	\$6,972,170	\$6,972,170	\$6,972,170	\$6,972,170
Elderly & disabled Transp. Assistant Program	\$7,207,285	\$7,207,285	\$7,207,285	\$7,207,285	\$7,207,285	\$7,207,285
Employment Transp. Management Program	\$2,628,073	\$2,628,073	\$2,628,073	\$2,628,073	\$2,628,073	\$2,628,073
Urban Programs						
Urban and Regional Program (SMAP)	\$30,528,557	\$30,528,557	\$30,528,557	\$30,528,557	\$30,528,557	\$30,528,557
Urban Regional Technology	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Urban/Regional Bus and Facility Program	\$2,507,370	\$2,536,022	\$2,540,743	\$2,545,558	\$2,550,469	\$2,555,478

Funding Source	Base Year	Projected	Projected	Projected	Projected	Projected
	2016/2017	2018 (Transition)	2019 (Transition)	2020	2021	2022
New Starts Program						
LYNX Blue Line Extension	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000
PTD Administration						
State Appropriation	\$413,044	\$413,044	\$413,044	\$413,044	\$413,044	\$413,044
Total State Funding	\$88,675,514	\$88,905,412	\$89,060,249	\$89,218,182	\$89,379,274	\$89,543,588
Total Federal and State Funding	\$126,032,292	\$127,635,517	\$128,564,956	\$129,512,984	\$130,479,972	\$131,466,300

Table ES - 3 Projected PTD Direct Spending (2018 - 2022)

	Fund Center	Account	2018 - Projected	2019 - Projected	2020 - Projected	2021 - Projected	2022 - Projected
	157831	Personnel Salaries	\$1,050,983	\$1,072,002	\$1,093,442	\$1,115,311	\$1,137,617
	157831	Personnel Fringe Benefits	\$580,929	\$592,548	\$604,399	\$616,487	\$628,817
	157831	Operating Travel	\$55,939	\$56,834	\$57,743	\$58,667	\$59,606
	157831	Operating Cost Allocation (DOT)	\$1,096,671	\$1,114,218	\$1,132,045	\$1,150,158	\$1,168,561
	157831	Operating Software (AssetWorks)	\$708,930	\$720,273	\$731,797	\$743,506	\$755,402
	157831	Operating Supplies & Materials	\$43,165	\$43,856	\$44,558	\$45,271	\$45,995
	157831	Operating Op Serv & Other Exp	\$343,382	\$348,876	\$354,458	\$360,130	\$365,892
	157831	Consultant Compliance	\$304,800	\$309,677	\$314,632	\$319,666	\$324,780
	157831	Consultant Safety	\$304,800	\$309,677	\$314,632	\$319,666	\$324,780
	157831	Consultant Drug and Alcohol	\$304,800	\$309,677	\$314,632	\$319,666	\$324,780
	157831	Consultant Planning Contracts	\$914,400	\$929,030	\$943,895	\$958,997	\$974,341
	157831	Consultant Special Studies	\$762,000	\$774,192	\$786,579	\$799,164	\$811,951
	157831	Consultant Training	\$254,000	\$258,064	\$262,193	\$266,388	\$270,650
Total (157831)			\$6,724,799	\$6,838,923	\$6,955,004	\$7,073,076	\$7,193,172
	150036	Personnel Salaries	\$268,448	\$272,744	\$277,107	\$281,541	\$286,046
	150037	Personnel Fringe Benefits	\$150,492	\$152,900	\$155,346	\$157,832	\$160,357
	150036	Operating Op Serv & Other Exp	\$2,373	\$2,411	\$2,449	\$2,488	\$2,528
	150036	Operating Travel	\$852	\$866	\$880	\$894	\$908
	150036	Operating Supplies & Materials	\$5,418	\$5,505	\$5,593	\$5,682	\$5,773
Total (150036)			\$427,584	\$434,425	\$441,376	\$448,438	\$455,613
Total PTD Direct Spending			\$7,152,383	\$7,273,349	\$7,396,380	\$7,521,514	\$7,648,785
Projected Funding from Budget							
	157831		\$6,403,529	\$6,496,950	\$6,496,950	\$6,592,240	\$6,689,436
	150036		\$413,044	\$413,044	\$413,044	\$413,044	\$413,044
Total Available Funding			\$6,816,573	\$6,909,994	\$6,909,994	\$7,005,284	\$7,102,480
Funding Shortfall							
	157831		\$(321,270)	\$(341,973)	\$(458,054)	\$(480,836)	\$(503,736)
	150036		\$(14,540)	\$(21,381)	\$(28,332)	\$(35,394)	\$(42,569)
Total Funding Shortfall			\$(335,810)	\$(363,354)	\$(486,386)	\$(516,229)	\$(546,305)

Even though funding is not separately provided for operating, grantees can use 5311 administration funding for operating costs if they see benefits in doing so and are able to provide sufficient local matching funding.

Considerations – Direct state expenditures

The five-year plan and the projection of state direct spending show funding shortfalls for 2018-2022. Table 4 shows in 2018-2022, the total funding shortfall for PTD direct spending would be about \$2.2 million. Even though PTD could theoretically cover some of the shortfalls with prior years' unobligated federal funds, there will be competing needs for those funds. In the long run, beyond the plan period, PTD will need a further plan to balance state direct spending with available funding in a sustainable manner.

Impacts of Plan

The plan achieves a number of PTD goals:

- Funding is allocated for each county served by a community transportation system.
- Funding is equitably allocated – allocation by federal formula aligns the amount of funding generated by a grantee with the amount it receives, resolving a problematic aspect of the historical administrative funding caps used in the past by PTD.
- The new funding structure is simplified and more transparent – compared to the existing funding program, the new structure clearly specifies funding amounts for capital projects and grantee administration; the funding allocation methods and the rationale behind are easy to understand.
- The new funding structure is flexible – each grantee will have the opportunity to decide if their allocation will be used for administration or operations.
- The new funding structure supports coordinated transportation – North Carolina is a leader in coordinated transportation, using capital (vehicles, facilities and technology) in a coordinated manner to support the transportation needs of each community.
- The new funding structure promotes regionalism – the base amount of grantee administration funding is county-based, rather than grantee-based, which means regional systems serving multiple counties will receive more funding from the base tier than systems serving only one county, and a new regional/consolidated funding category is introduced.
- The new funding structure rewards performance – a performance tier is added to the allocation formula for grantee administration / operations funding.

While implementation will likely result in additional refinements, particularly the relative amounts in each tier of the new formula, the plan is a solid basis for advancing public transit funding in the state.