

Don't let the Treasure Valley fall through the cracks

About the funding shortfall

Stories about transportation funding are flooding the local and national media, and for good reason. Without a well-functioning transportation system, our residents can't get to their jobs, our farmers and factories can't get their goods to the market, and our stores can't stock their shelves. Transportation impacts our quality of life, from how much time we spend sitting in traffic, to the choices we have in how we get around, to the safety of those choices. So, what's the big deal about transportation funding? Why is it such an important topic to discuss now?

Every year, we are short \$150 million in Ada and Canyon Counties

The Treasure Valley does not have enough money to maintain, much less grow, the transportation system that we have now.

The population of Ada and Canyon Counties is expected to increase by over 440,000 people by the year 2040, for a total population of 1.022 million.

COMPASS estimates that the region will need an investment of approximately \$359 million *per year* between now and 2040 to meet maintenance needs and the demands of growth. Funding estimates conducted in 2014 showed that we were \$159 million short of meeting those needs, each year, in Ada and Canyon Counties alone.

However, in 2015, the Idaho legislature passed a bill to increase Idaho's transportation funding by about \$95 million per year. Local agencies in Ada and Canyon Counties will receive approximately \$9 million per year of this new funding.

While an additional \$9 million certainly helps, it still **leaves a funding gap of \$150 million per year**. Moreover, it does nothing to address the lack of funding for public transportation – fuel taxes cannot be used for public transportation in Idaho at all – or expansion, as the Idaho Legislature stipulated that this new funding can only be used for maintenance.



Funding Update (April 2015)

The Idaho Legislature passed a bill on April 11, 2015, to increase statewide transportation funding by \$95 million per year.

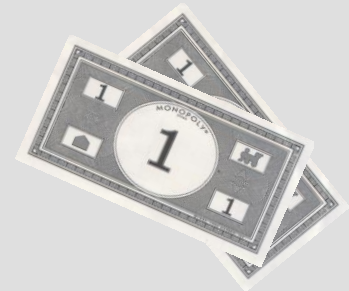
The increased funding will be generated by increasing vehicle registration fees and the state fuel tax rate, both of which had not been raised since 1996.

What Does \$2 Buy?

\$150 million is a lot to come up with, but it's not impossible. If we divide it across all households in Ada and Canyon Counties, each household's contribution is just \$2 per day.

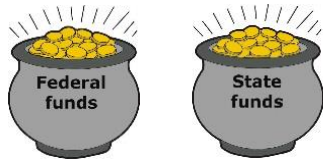
- A latte for one morning
- The Sunday paper for one week
- A strong transportation system for years to come

Just \$2 per day, per household would bridge the transportation funding gap.



How is transportation funded now?

1) **Fuel taxes:** The majority of funding that Idaho receives for transportation funding comes from federal and state fuel taxes. On July 1, 2015, the fuel tax in Idaho increased to 32¢ per gallon, an increase of 7¢ over the previous rate, which had not changed since 1996. This generates an additional \$63.2 million per year. State fuel taxes cannot be used for public transportation, per the Idaho Constitution. The federal fuel tax rate remains unchanged since 1993, at 18.4¢ for gas and 24.4¢ for diesel.



2) **State registration fees:** On July 1, 2015, registration fees increased by \$21 per year for most vehicles. Hybrid vehicles pay an annual fee of \$75 and electric vehicles pay an annual fee of \$140. The increased registration fees will generate an additional \$30.9 million per year.



3) Other funding sources:

Property tax, bonds, local vehicle registration fees (Ada County Highway District only), and impact fees (Ada County Highway District and City of Nampa).



Other potential funding options

1) **Vehicle miles traveled (VMT) fee:** VMT fees are based on the number of miles driven, as a “user fee.” This fee would guarantee transportation revenue, even as the number of fuel-efficient vehicles increases.

2) **Local option sales tax:** A local option sales tax is a temporary increase to the local sales tax. The tax is used to raise funds for specific projects, and requires a passing vote by the affected public.

3) **Other potential funding options:** Increase tax on rental cars, impact fees for developers, or divert the sales tax on transportation products to the transportation fund.



Learn more about the transportation funding:

- COMPASS transportation funding webpage: <http://www.compassidaho.org/comm/transfund.htm>
- COMPASS Executive Director blog series on transportation funding: <http://www.compassidaho.blogspot.com/>
- Weekly “Did You Know?” funding factoids on social media
Facebook: <https://www.facebook.com/COMPASSIdaho>
Twitter: <https://twitter.com/COMPASSIdaho>
- COMPASS Education Series
<http://www.compassidaho.org/comm/publicevents.htm>