Transportation Funding

**Lessons & Takeaways**

**The Local Share is Increasing:**
Cities and counties in the WAMPO region are currently contributing the largest share of dollars and are projected to contribute 1.5 times more when compared to future state and federal funding combined.

**Revenue & Expenditures**

**Revenue** includes a mixture of local, State, and Federal funds including:
- Sales Tax
- Property Tax
- Federal Income Tax
- Wichita Transit Fare
- KS Turnpike Authority Tolls
- Fuel Tax
- Vehicle Registration

**Expenditures** range from costs associated with maintaining, operating, modernizing, and expanding the system. Here are some examples:
- Filling potholes
- Removing snow
- Traffic signal repair
- Bus operations & maintenance
- And much more!

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**CURRENT FUNDING**

<table>
<thead>
<tr>
<th>Source</th>
<th>2013 - 2017</th>
<th>2020 - 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Governments</td>
<td>$77 million</td>
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<td>KDOT Program *</td>
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<tr>
<td>Federal</td>
<td>$26 million</td>
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</table>

$170 million/year

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**FUNDING FORECAST**

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<th>2020 - 2040</th>
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$230 million/year

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* The Kansas Department of Transportation (KDOT) program funds listed include a mix of federal and state dollars

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**The regional system** includes all of the highways, major roads, all of Wichita Transit’s transit and paratransit services, paratransit services provided by Sedgwick County, Derby Dash, and other non-profit paratransit providers, bicycle lanes and off-street multiuse paths, and the WichWay Live Traffic system.
Funding Over Time

What appears to be slow and steady revenue growth (1.5%/yr) is actually falling by 2.5% per year.

- **Inflation Rate**: 4.25% per year
- **Actual Funding (2011-2015)**: 3.75% per year
- **Projected Funding (2020-2030)**: 1.5% per year
- **Purchasing Power (2011-2030)**: -2.5% per year

A $100 bill in 2017 could have purchased $134 worth of transportation projects & services in 2011.

By 2020 that same $100 bill would only buy $89 worth of projects and services.

By 2030 it would only buy $64 worth!

Lessons & Takeaways

**Our Purchasing Power**

is decreasing by 2.5% per year!
Public Requests for Balanced Investment

Information collected during the 2019 WAMPO community based engagement shows that 30% of individuals surveyed felt that future decision making and investment priorities should enhance and/or promote a more balanced distribution of resources and planning. Areas of particular interest included more:

- Transit options
- Active transportation options (bicycle, pedestrian & other non-motorized travel)
- Passenger Rail Options
- Transportation options than what currently exists

Current Investments

We currently spend approximately 50% of our annual spending on the highway component of our system, 40% on local road component, 10% on the transit component, and less than 1% on the bike/ped component.

Performance Measure Data

Under the current investment model, drivers on our regional highways and major roads incur just seconds of delay on average trip.

In economic terms, we have more supply than demand, which leaves the region with great opportunity to address other pressing needs.

In 2015 the average delay on WAMPO regional highways and major roads was 26 seconds, with an additional 5 seconds added at freeway bottleneck locations.

by 2040 projections show that the average delay times may increase to 45 seconds when accounting for projected increases in population.

Lessons & Takeaways

(un) Balanced Investment: Public input and performance measure data support increasing investment in local road system, transit, bicycle and pedestrian, and decreasing investment in new highway capacity.
Deferred Maintenance occurs in three ways:

1. **Less than Optimal Funding**
   Deferred maintenance occurs when less money than is needed is spent to get the optimal life out of a transportation asset (road, transit vehicle, bike path).

2. **Asset Life**
   Deferred maintenance occurs when assets are not replaced or updated when their life expectancy is reached.

3. **Usage Drivers**
   Deferred maintenance also occurs when the original design of the transportation asset does not meet the current conditions. Here are some examples:
   - Modern trucks are heavier. Older roads designed and built for lighter vehicles deteriorate faster.
   - Taller semi-trucks travelling on the highway require higher overpasses.
   - Suburban development taking place in rural areas require the surrounding arterial roads to be upgraded from rural to urban standards.

**Annual Average Operations & Maintenance Spending**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>State Highway System</td>
<td>$6 million</td>
</tr>
<tr>
<td>Local Roads</td>
<td>$29 million</td>
</tr>
<tr>
<td>Transit System</td>
<td>$15 million</td>
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Today, 30% of all funding is spent on routine maintenance and operations.

By 2040, 15% of all funding will be spent on routine maintenance & operations.

The local road system alone has an estimated cost of up to $350 million in regional deferred maintenance!

**Lessons & Takeaways**

Operations and Maintenance Under current policies, total spending on operations and maintenance is projected to decrease while capital spending is projected to increase. Given the potential impact of deferred maintenance needs, these policies might need revised.

Deferred Maintenance costs are not currently known or accounted for in most budgeting processes. Having a better understanding of the full cost of deferred maintenance will be key in building future spending policies and practices.
Emerging Issues

TAXES

**Best use of tax dollars**
It is becoming increasingly important that the totality of local and state tax dollars are used in consideration of the expected declines in purchasing power and the increased reliance on local funding.

LAND DEVELOPMENT

**Financial impacts of residential and commercial land development**
Emerging research suggests that evaluating capital investment and assessed valuation on a per-acre basis is more effective at assessing the financial impact of land development decisions at the local government level.

Evaluating in this way is more effective because streets, public transit, and other transportation infrastructure costs are dependent on the amount of land they have to cover.

FINANCE

**Additional funding and financing tools**
Local and state governments will increasingly need additional financing tools to complement the traditional general obligation bond financing to cost-effectively address the deferred maintenance needs.
The Transportation System Finance Summary is part of the REIMAGINE MOVE2040 initiative focused on updating the current Wichita Area Metropolitan Planning Organization long-range metropolitan transportation plan (MTP).

Help us reimagine the future of transportation.

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