

## Historical Funding by Source

The Des Moines Area MPO considered three revenue types when developing future funding estimates: federal, state, and local funds.

### Federal Funding

The MPO used historical data going back to 2015 to determine the historical annual growth rate for Surface Transportation Block Grant (STBG) and Transportation Alternatives Program (TAP) funding over the 10-year period. The annual growth rate over this period was 2.7 percent for STBG funding and 2.5 percent for TAP funding. The MPO also looked at funding for the Carbon Reduction Program. This is a new federal revenue source for the MPO and there was not any historical data to use. Projected 5-year funding amounts from the Iowa Department of Transportation were used to determine an annual growth rate for CRP funding of 0.8 percent. Staff proposes to use the growth rates in the *Annual Growth Rate – Plan* row in **Figure 1**. These rates will be used to determine an annual funding increase for each funding source and will be added to each year to create a straight-line projection of available funding.

**Figure 1: Historical Federal Revenue Sources**

Federal Fiscal Year	STBG	TAP	CRP*
2015	\$12,008,824	\$1,185,972	\$1,381,465
2024	\$15,202,762	\$ 1,478,689	\$1,439,000
<b>Percent Change 2015-2024</b>	<b>26.60%</b>	<b>24.68%</b>	<b>4.16%</b>
Annual Growth Rate - Historical	2.66%	2.47%	0.83%
Annual Growth Rate - Plan	2.50%	2.50%	0.50%

### Road Use Tax Fund

**Figure 2** shows the total historical Road Use Tax Fund (RUTF) funding for MPO member governments from 2017 to 2023. The annual growth rate over the seven years of available data was 3.1 percent. Staff proposes to use the growth rates in the *Annual Growth Rate – Plan* row in **Figure 2**. These rates will be used to determine an annual funding increase for RUTF revenue and will be added to each year to create a straight-line projection of available funding.

**Figure 2: Historical Road Use Tax Revenue**

Federal Fiscal Year	RUTF
2017	\$59,442,468
2023	\$72,350,689
<b>Percent Change 2017-2023</b>	<b>21.72%</b>
Annual Growth Rate - Historical	3.10%
Annual Growth Rate - Plan	2.50%

## Local Funding

The Iowa Department of Transportation’s Street Finance Reports were used to compile local transportation expenditures over a 4-year time frame. **Figure 3** shows the historical local transportation expenditures for MPO member governments from 2020 to 2023. Staff used this data to determine the 4-year average of \$386.9 million in local funding. The 4-year average was used to account for fluctuations in bonding levels by local communities on a year-to-year basis which made determining an accurate annual growth rate problematic. Due to recent actions by the state legislature, staff proposes using an annual growth rate of 0 percent to project local funding available in the plan update.

**Figure 3: Local Funding**

Year	2020	2021	2022	2023	Total
Local Transportation Expenditures	\$300,665,649	\$345,125,981	\$467,804,635	\$434,105,652	\$1,547,701,917
4-Year Average					<b>\$386,925,479</b>

## Projected Funding by Source

The following section outlines the projected funding that is reasonably expected to be available over the life of this plan.

### MPO and Local Funding

Based on new federal guidance, MPO’s must show fiscal constraint for only the first ten years of the long-range plan. **Figure 4** shows the projected federal, state, and local funding that is reasonably expected to be available over this 10-year period. A review of the Street Finance Reports over the past 10-years indicated that approximately 40 percent of the available state and local revenue for transportation is spent on construction expenditures, as indicated in **Figure 4**. The projections assume that this trend will continue. Therefore, 60 percent of the projected state and local revenues were subtracted from the total available revenue to accurately reflect operation, maintenance, and debt service costs. It was assumed that these costs would remain consistent as a percentage of the total projected revenue for the first ten-year time-period of Mobilizing Tomorrow. One hundred percent of the federal funds are available for construction expenditures. The MPO is projected to have approximately \$2.5 billion in available funding from 2025-2034.

**Figure 4: Projected Federal, RUTF, and Local Funding (in Millions)**

Funding Type	2025-2029	2030-2034	Total
Federal	\$94.6	\$108.6	\$203.1
RUTF	\$388.9	\$434.1	\$823.0
Local	\$1,934.6	\$1,934.6	\$3,869.3
<i>Available Funding for Construction</i>	<i>\$773.9</i>	<i>\$773.9</i>	<i>\$1,547.7</i>
<b>Total</b>	<b>\$1,257.3</b>	<b>\$1,316.5</b>	<b>\$2,573.8</b>