



Funding Policy Statements

November 19, 2008



Discussion- Hypothetical Task Force Funding Policy Statements

Goal For Today:

Create a “Straw Man” of Task Force
Funding Policy Recommendations for
a New Comprehensive Transportation
Program



Hypothetical Checklist

- Preference for pure/hybrid Pay-as-You-Go approach?
- Preferred Revenue Sources Are? (How specific does the Task Force want to be?):
 - ❖ Gaming?
 - ❖ Registration Fees?
 - ❖ Keep Motor Fuel Tax in the conversation as a short/long term solution?
 - ❖ Should a threshold limit be set for increases to certain revenue sources to match/not exceed bordering states?
 - ❖ Should politically “easier” revenue sources ramp up first chronologically, with “harder” sources later?



Hypothetical Checklist (Cont'd)

Serious Consideration of New Revenue Sources?:

- ❖ Sales Tax on Motor Fuels?
- ❖ Broadening of Sales Tax Base?
- ❖ Hybrid/Practical VMT Tax Approach?
- ❖ Increase use of Tolls where feasible across the state?
- ❖ Add flexibility to EcoDevo legislation (i.e., TIF, TDD, STAR) and promote increase in Public/Private Partnerships
- ❖ Add surcharge to KTA to fund other state needs?
 - Couple this with limitation on where funds can be spent? (i.e., Florida model- surplus- if any- only spent in counties where toll facility located.)



Hypothetical Checklist (Cont'd)

- Encourage mode specific revenue contributions (i.e., rail, aviation, transit specific revenue sources)?
 - ❖ Consider new revenue sources tied to needs for Rail, Transit, Bike/Ped, Aviation.
 - ❖ Target reduction/elimination of tax exemptions on certain mode specific revenue sources.



Hypothetical Checklist (Cont'd)

Local Funding Policy Considerations:

- ❖ Ensure the SCCHF is held harmless regardless of new revenue mix (if not increased proportionately).
- ❖ Require increased local share of state/local projects.
- ❖ Encourage Locals to explore Local Option Motor Fuel Tax to assist in increased share. Make other local option revenue sources easier to obtain at the local level.
- ❖ Set aside specific revenue to increase capacity of Transportation Revolving Fund.



Hypothetical Checklist (Cont'd)

Support for Bonding:

- ❖ Match bonding with Economic Development or Mega Projects (i.e., 31 of the 65 projects identified as Regional Priorities during 2008 Local Consultation are over \$100 million.)
- ❖ Identify specific funding stream to address increase in agency debt service.
- ❖ Match debt service payments to economic development revenues flowing to SGF.
- ❖ Maintain minimum debt service coverage ratios so as to ensure current agency ratings.



Other Funding Policy Considerations?

Other Financial Policy Considerations the Task Force would like inserted into the Final Report?