

Appendix M: Funding Programs

Introduction

This appendix documents the current and potential revenue sources and funding programs available for transportation uses. It includes a description of programs available for highway and transit funding from federal, state, and local sources.

Current Revenue Sources

Revenues for transportation system development are currently available from federal, state, local, and private sources. In the RTP's financial plan, Chapter 5, funding sources that have been historically available are projected into the future to provide an estimate of revenue resources reasonably expected to be available. It is assumed that funding types that have traditionally been available for transportation will continue to be available.

Federal Funding

The federal gas tax and other transportation fees and taxes are the major federal revenue sources for transportation funding. On November 15, 2021, President Biden signed the [Infrastructure Investment and Jobs Act \(IIJA\) \(Public Law 117-58, also known as the Bipartisan Infrastructure Law\)](#) into law. The Bipartisan Infrastructure Law is the largest long-term investment in our infrastructure and economy in our Nation's history. It provides \$550 billion over fiscal years 2022 through 2026 in new Federal investment in infrastructure, including roads, bridges, and mass transit; water infrastructure; resilience; and broadband.

The Bipartisan Infrastructure Law authorizes a single amount each year for all the apportioned highway programs combined. That amount is apportioned among the states, and then each state's apportionment is divided among the individual apportioned programs. Part of the state's apportionment is then allocated to Southwest Washington Regional Transportation Council (RTC), which selects local transportation projects for funding under the Surface Transportation Block Grant (STBG), Congestion Mitigation and Air Quality (CMAQ), and Transportation Alternatives (TA) programs. The following sections include a brief description of major federal funding programs.

Federal Funding: Multimodal

Congestion Mitigation and Air Quality (CMAQ)

The CMAQ program is used for projects and programs that improve air quality and reduce congestion. CMAQ projects must demonstrate an air quality improvement within the Vancouver Air Quality Maintenance Area. The CMAQ funds are allocated to RTC within Clark County for air quality improvements within the designated Vancouver Air Quality Maintenance area. The amount varies based on annual apportionments, but RTC generally receives over \$3 million per year.

Carbon Reduction Program

The Carbon Reduction Program (CRP) is used for projects that reduce transportation emissions. CRP eligibility is similar to the CMAQ program. All CRP projects must be consistent with the State-developed Carbon Reduction Strategy. CRP funds are allocated to RTC for the Clark County region based on population, with varying amounts being allocated to U.S. Census-defined urban and rural areas. The amount varies based on annual apportionments, but RTC receives less than \$1 million per year. The Urban CRP funds will be incorporated into the STBG/CMAQ call for projects, utilizing the CMAQ criteria. The Rural CRP funds will be incorporated into the TA call for projects, utilizing TA criteria.

Highway Safety Improvement Program

The BIL continues the Highway Safety Improvement Program (HSIP) to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focuses on performance. The State selects projects for funding.

Infrastructure for Rebuilding America

This USDOT-wide program provides funding for highway and freight projects of national or regional significance. USDOT seeks Infrastructure for Rebuilding America (INFRA) applications for projects that apply innovative technology, delivery, or financing methods with proven outcomes to deliver projects in a cost-effective manner. The Federal Highway Administration selects projects through a national competitive grant program.

National Highway Freight Program

The BIL continues the National Highway Freight Program (NHFP) to improve the efficient movement of freight on the National Highway Freight Network (NHFN) and supports several goals, including:

- investing in infrastructure and operational improvements that strengthen economic competitiveness, reduce congestion, reduce the cost of freight transportation, improve reliability, and increase productivity;

- improving the safety, security, efficiency, and resiliency of freight transportation in rural and urban areas;
- improving the state of good repair of the NHFN;
- using innovation and advanced technology to improve NHFN safety, efficiency, and reliability;
- improving the efficiency and productivity of the NHFN;
- improving State flexibility to support multi-State corridor planning and address highway freight connectivity; and
- reducing the environmental impacts of freight movement on the NHFN.

The State selects projects for funding.

Bridge Formula Program (BFP)

The BIL establishes the Bridge Formula Program (BFP) to replace, rehabilitate, preserve, protect, and construct bridges on public roads, including non-federal-aid highway bridges. The State selects projects for funding.

Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Formula Program

The BIL establishes the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Formula Program to help make surface transportation more resilient to natural hazards—including climate change, sea level rise, flooding, extreme weather events, and other natural disasters. The State selects projects for funding.

National Infrastructure Project Assistance Program (Mega)

The BIL establishes the National Infrastructure Project Assistance Program (Mega) that provides grants for surface transportation infrastructure projects that are too large or complex for traditional funding programs and that will have a significant national or regional impact. The Federal Highway Administration selects projects through a national competitive grant program.

Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program

The BIL establishes the Strengthening Mobility and Revolutionizing Transportation (SMART) grant program to conduct demonstration projects focused on advanced smart city or community technologies and systems in a variety of communities to improve transportation efficiency and safety. The Federal Highway Administration selects projects through a national competitive grant program.

Charging and Fueling Infrastructure Grant Program

The BIL establishes the Charging and Fueling Infrastructure grant program that provides funding to deploy electric vehicle charging and hydrogen/propane/natural gas fueling infrastructure along designated alternative fuel corridors and in communities. The Federal Highway Administration selects projects through a national competitive grant program.

Bridge Investment Program

The BIL establishes the Bridge Investment Program for projects to replace, rehabilitate, preserve, or protect bridges on the National Bridge Inventory and for projects that replace or rehabilitate culverts to

improve flood control and improve habitat connectivity for aquatic spaces. The Federal Highway Administration selects projects through a national competitive grant program.

Healthy Streets Program

The BIL establishes the Healthy Streets grant program for projects that address urban heat island effects and flooding in disadvantaged communities by deploying cool and porous pavements and by increasing tree cover. The Federal Highway Administration selects projects through a national competitive grant program.

Reconnecting Communities Pilot Program

The BIL establishes the Reconnecting Communities Pilot grant program for projects to restore community connectivity by removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity, including mobility, access, or economic development. The Federal Highway Administration selects projects through a national competitive grant program.

Rural Surface Transportation Grants

The BIL establishes the Rural Surface Transportation Grants for projects to improve and expand the surface transportation infrastructure in rural areas to increase connectivity, improve the safety and reliability of the movement of people and freight, generate regional economic growth, and improve quality of life. The Federal Highway Administration selects projects through a national competitive grant program.

Neighborhood Access and Equity Grants Program

The Inflation Reduction Act establishes the Neighborhood Access and Equity Grants program to reconnect communities divided by existing infrastructure, mitigate negative impacts of transportation facilities or construction projects on communities, and support equitable transportation planning. The Federal Highway Administration selects projects through a national competitive grant program.

Reduction of Truck Emissions at Port Facilities Program

The BIL establishes the Reduction of Truck Emissions at Port Facilities Program that provides grants for projects to reduce truck idling and emissions at ports, including through the advancement of port electrification. The Federal Highway Administration selects projects through a national competitive grant program.

National Electric Vehicle Infrastructure Formula Program (NEVI)

The BIL establishes the National Electric Vehicle Infrastructure (NEVI) formula program for projects to strategically deploy electric vehicle (EV) charging infrastructure and establish an interconnected network to facilitate data collection, access, and reliability. The State selects projects for funding.

National Highway Performance Program

The BIL continues the National Highway Performance Program (NHPP). The purposes of this program are to provide support for the condition and performance of the National Highway System (NHS); to provide

support for the construction of new facilities on the NHS; to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS; and to provide support for activities to increase the resiliency of the NHS to mitigate the cost of damages from sea level rise, extreme weather events, flooding, wildfires, or other natural disasters. The State selects projects for funding.

Railroad Crossing Elimination Grant Program

This program provides funding for highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods. The Federal Railroad Administration selects projects through a competitive selection process.

RAISE Discretionary Grants

The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant program provides a unique opportunity for the DOT to invest in road, rail, transit, and port projects that promise to achieve national objectives. Previously known as the Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants, Congress has dedicated nearly \$14.3 billion for 15 rounds of National Infrastructure Investments to fund projects that have a significant local or regional impact.

The RAISE program enables U.S. Department of Transportation (DOT) to use a rigorous merit-based process to select projects with exceptional benefits, explore ways to deliver projects faster and save on construction costs, and make needed investments in our Nation's infrastructure.

Safe Streets and Roads for All

BIL establishes the new Safe Streets and Roads for All (SS4A) discretionary grant program, which supports local initiatives to prevent death and serious injury on roads and streets, commonly referred to as "Vision Zero" or "Toward Zero Deaths" initiatives. The SS4A program supports the DOT's [National Roadway Safety Strategy](#) and a goal of zero deaths and serious injuries on our Nation's roadways.

Surface Transportation Block Grant

The Surface Transportation Block Grant (STBG) is the most flexible of all the Federal Highway Administration programs and can be used for a wide range of transportation improvements, including auto, transit, bicycle, pedestrian, and planning projects. The STBG funds are allocated to RTC for the Clark County region based on population, with varying amounts being allocated to U.S. Census-defined urban and rural areas. The amount varies based on annual apportionments, but RTC generally receives over \$7 million per year. Additional STBG project information can be found on the RTC website at <http://rtc.wa.gov/programs/tip>.

This program may be used for projects to preserve and improve the conditions and performance of any Federal-aid highway, bridge, and tunnel on any public road. This includes improvements to roads, pedestrian and bicycle infrastructure, and transit capital projects. STBG funds are divided among the following programs:

- **STPG-Urban Large (STP-UL):** Formula allocation to the Clark County Transportation Management Area based on the population within the Vancouver Urban boundary, which includes the urban areas of Vancouver, Battle Ground, Camas, and Washougal. RTC (MPO) selects projects for funding.
- **STPG-Rural (STP-R):** Formula allocation for projects outside the Urban Area boundary. RTC (MPO) selects projects for funding.
- **STPG-State (STP):** Formula allocation to the Washington State Department of Transportation, for use on state highway projects. The State selects projects.

Transportation Alternatives Program

The Transportation Alternative (TA) program is used for community improvements such as pedestrian and bicycle facilities, viewing areas, and safe routes to schools. The TA funds are allocated to RTC for the Clark, Skamania, and Klickitat counties region based on population, with varying amounts being allocated to U.S. Census-defined urban and rural areas. The amount varies based on annual apportionments, but RTC generally receives approximately \$1.0 million per year.

Federal Funding: Transit

Capital Investment Grants

Also known as “New Starts/Small Starts,” the Capital Investment Grants (CIG) Program is a discretionary grant program to fund transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Federal transit law requires transit agencies seeking [CIG](#) funding to complete a series of steps over several years.

For New Starts and Core Capacity projects, the law requires completion of two phases in advance of receipt of a construction grant agreement: Project Development and Engineering.

For Small Starts projects, the law requires completion of one phase in advance of receipt of a construction grant agreement: Project Development.

FTA Section 5307

This formula funding program provides formula funding to public transit systems in Urbanized Areas (UZAs) for public transportation capital, planning, job access, and reverse commute projects, as well as operating expenses in certain circumstances. Funds are allocated to the Portland/Vancouver region. The regional transit providers have agreed to the division of these funds, with a portion allocated to C-TRAN.

FTA Section 5309

FTA’s primary discretionary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. These are discretionary funds.

FTA Section 5310

This program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services.

C-TRAN is the designated recipient of the formula funds in this region. C-TRAN passes these funds to eligible subrecipients, which include private nonprofit organizations.

FTA Section 5337

Provides capital assistance for maintenance, replacement, and rehabilitation projects for existing high-intensity fixed guideway and high-intensity motorbus systems to maintain a state of good repair. Additionally, state of good repair grants are eligible for developing and implementing Transit Asset Management plans.

FTA Section 5339

The State of Good Repair grants program provides financial assistance to public transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development.

State Funding: Multimodal

On the state level, the Motor Vehicle Fuel Tax is the primary funding source for highway maintenance and arterial construction. In addition, the state has other taxes and fees that support the funding of transportation improvements. These include licenses, permits, and fees, as well as a vehicle sales tax. Some of the programs funded by these revenues are described below:

Washington State Department of Transportation (WSDOT)

The Washington State Department of Transportation administers state and federally funded state highway projects. State transportation revenues are divided into separate programs. The budget for these programs is determined by the state legislature. WSDOT then prioritizes projects and determines which projects can be constructed within the budget of each program.

Connecting Washington

In 2015 the State passed a transportation investment package known as Connecting Washington (CWA). This package spends \$8.8 billion on state and local road projects, \$1.4 billion on maintenance and preservation, about \$1 billion will go to nonhighway projects, and a portion is allocated to local jurisdictions.

Move Ahead Washington (MAW)

In 2022 the State passed a transportation investment package known as Move Ahead Washington (MAW). This package provides \$16.8 billion in new resources over the next 16 years, including \$4.3 billion in transit, bike, and pedestrian improvements; \$4 billion in road and bridge projects; \$3 billion for maintenance and preservation; \$2.4 billion for fish passage barrier removal; and \$1.5 billion for the state ferry system.

WSDOT Grant Programs

WSDOT administers many transportation-related grants that are available to local agencies. However, most of these programs are dependent on the legislature allocating funding and can vary from year to year.

Safe Routes to School Program: The purpose of the Safe Routes to Schools Program (SRTS) is to improve safety and mobility for children by enabling and encouraging them to walk and bicycle to school. Funding from this program is for projects within 2 miles of primary, middle, and high schools (K-12).

Since 2005 the program has awarded \$135 million for 270 projects from over \$499 million in requests.

Pedestrian and Bicycle Program: The Pedestrian and Bicycle program objective is to improve the transportation system to enhance safety and mobility for people who choose to walk or bike.

Since 2005 the program has awarded \$115.6 million for 208 projects from over \$534 million in requests.

County Safety Program: The County Safety program provides funding for projects that reduce fatal and serious injury crashes on county roads using engineering improvements/countermeasures. Projects are identified through each county's local road safety plan, which identifies and prioritizes projects based on the top crash type(s) in the county. Projects can be at intersection(s), spot or mid-block location(s), and/or on corridor(s) throughout a county or over wide areas within a county.

- **City Safety Program:** The City Safety program provides funding for projects that reduce fatal and serious injury crashes on city/town streets and state highways using engineering improvements/countermeasures. The program includes two subprograms:
- **Spot Location:** Projects must be at a specific intersection(s), spot or mid-block location(s), or corridor(s) and must address at least one fatal or serious injury crash in the most recent five-year period.
- **Systemic:** Projects are identified through a city/town's local road safety plan, which identifies and prioritizes projects based on the top crash type(s) in the city/town. Projects can be at intersection(s), spot or mid-block location(s), and/or on corridor(s) throughout a city/town or over wide areas within a city/town.

Cities must submit a local road safety plan that addresses fatal and serious injury crashes and systemic safety needs to be eligible to apply.

Competitive grant funding is available from WSDOT's Public Transportation Division. Grant funding programs include the Consolidated Grant Program, the Formula Grant Program, the Regional Mobility Grant Program, and the Vanpool Investment Program.

Transportation Improvement Board (TIB) Programs

The Washington State Legislature created the Transportation Improvement Board (TIB) to foster state investment in quality local transportation projects. The TIB distributes grant funding, which comes from the revenue generated by 3 cents of the statewide gas tax, to cities and urban counties for funding transportation projects. The TIB identifies and funds the highest-ranking transportation projects based on criteria established by the Board for each program.

- **Urban Arterial Program (UAP):** Funding provided to improve safety and mobility along arterial streets in urban areas. The program funds projects in one of the following bands: Safety, Commercial Growth and Development, Mobility, and Physical Condition.
- **Active Transportation Program (ATP):** The Active Transportation Program provides funding to improve pedestrian and cyclist safety, enhanced pedestrian and cyclist mobility and connectivity, or improve the condition of existing facilities. All projects must be transportation related on a federally classified route (principal, minor, collector).
- **Arterial Preservation Program (APP):** Funding provided for overlay of federally classified arterial streets in cities with a population greater than 5,000 and assessed valuation less than \$3 billion. The program is limited to overlay to defray high-cost preservation projects, allowing cities to concentrate limited resources on lower cost preventative maintenance.
- **Relight Washington (LED):** The main goal of the Relight Washington Program is to lower city's street light costs by helping cities convert to more energy efficient LED streetlights. A challenge in converting to LED streetlights is the initial capital costs. The TIB decided it would pay the initial capital costs.
- **Small City Arterial Program (SCAP):** Funding provided to preserve and improve the arterial roadway system for cities under 5,000 population.
- **Small City Active Transportation Program (ATP):** The Active Transportation Program provides funding to improve pedestrian and cyclist safety, enhanced pedestrian and cyclist mobility and connectivity, or improve the condition of existing facilities.
- **Small City Preservation Program (SCPP):** Provides funding for preservation, rehabilitation, or reconstruction of TIB classified arterials consistent with local needs in incorporated cities and towns with populations less than 5,000.
- **Small City Maintenance Program (SCMP):** Provides for low-cost maintenance. This includes treatments such as crack sealing, pothole repair, pavement repair, fog sealing, and more. Agencies should apply for what is needed to maximize the lifespan of their streets. This program is meant to supplement current city efforts toward maintenance or encourage cities to start regular maintenance.
- **Complete Streets Award (CS):** Funding opportunity for local governments that have an adopted Complete Streets ordinance. Board-approved nominators may nominate an agency for showing practice of planning and building streets to accommodate all users, including pedestrians, access to transit, cyclists, and motorists of all ages and abilities.

County Road Administration Board (CRAB)

The County Road Administration Board (CRAB) was created by the Legislature in 1965 to provide statutory oversight of Washington's 39 county road departments. CRAB manages two grant programs to assist counties in meeting their transportation needs.

- **Rural Arterial Program (RAP):** This is a state fund for financing arterial road improvements in rural areas. RAP funds cannot be used for right-of-way. Projects are rated using five criteria: (1) structural ability to carry loads, (2) capacity to move traffic at reasonable speeds, (3) adequacy of alignment and related geometrics, (4) accident experience, and (5) fatal accident experience. Projects are selected by the County Road Administration Board. The costs are shared: 90% state and 10% local match.
- **County Arterial Preservation Program (CAPP):** Funding is provided for the preservation of existing paved county arterials. Funding is provided to counties as direct allocation based on paved arterial lane miles by the County Road Administration Board.

Washington State Recreation and Conservation Office (RCO)

The RCO manages nine grant programs, including the largest park grant program in the state of Washington. RCO creates and maintains opportunities for recreation, protects the best of the state's wild lands, and contributes to the State's effort to recover salmon from the brink of extinction.

Community Economic Revitalization Board (CERB)

CERB was established by the legislature to make loans and/or grants for public facilities, including roads, which will stimulate investment and job opportunities, reduce unemployment, and foster economic development. The Community Economic Revitalization Board selects projects.

Public Works Trust Fund (PWTF)

The Public Works Board was created by the Washington State Legislature to assist local governments in addressing local infrastructure needs through a dedicated local funding pool, existing as a revolving loan program, to be managed by a citizens' board comprised of local infrastructure representatives. The Public Works Trust Fund provides low interest loans to local governments for infrastructure improvements and is funded by utility taxes. The program is dependent on the Washington State Legislature funding the program.

Local Funding: Multimodal

Local revenue comes from a variety of sources, such as property tax and impact fees for highway projects and sales tax for transit projects. Other revenues include moneys from permits, fees, and taxes.

Property Tax

Clark County allocates a portion of their property taxes to the County Road Fund (approximately \$2.25 per \$1,000 of assessed value). Cities also receive transportation dollars from the city's general funds, of which property taxes are a major revenue source.

Arterial Street Fund (ASF)

This is the distribution of the state gasoline tax to cities and counties based on each jurisdiction's population.

Transportation Impact Fees (TIF)

Transportation impact fees were authorized by the 1990 Legislature to address the impact of development activity on transportation facilities. Jurisdictions within Clark County have established Transportation Impact Fee programs. Generally, new developments and redevelopments are assessed a Traffic Impact Fee, based on their impact to the transportation system.

Road Improvement District (RID)

RIDs can be formed and funded by properties benefiting from an improvement. They are usually formed at the request of property owners. Local government will build the project using revenue bonds from the road improvement district.

Frontage Improvement Agreements

Most developments are required to construct frontage improvements. In cases where the development abuts a proposed road improvement project, it is often beneficial for the developer to pay local government for their share of the road improvement and for local government to construct the improvements as part of the overall capital project.

Latecomers Fees

According to State law, new developments and redevelopments may be charged “Latecomer Fees” by the County for improvements that would have been required for their development but that have been constructed by the County.

Local Funding: Transit

Sales and Use Tax

C-TRAN’s major revenue source is 0.7% sales and use tax. A 0.3% sales tax was approved in 1980, an additional 0.2% was approved by voters in 2005, and an additional 0.2% approved by voters in 2011. The sales and use tax is a portion of the sales and use tax charged within Clark County. The tax rate can be raised to as much as 0.9% with voter approval.

Transit Fares

This is the amount of revenue generated by transit fare, ticket, and pass sales. One of the key sources of operating revenue for C-TRAN are charges to customers in the form of bus fares. The total amount of funding received through passenger fares in 2017 was \$6.9 million. C-TRAN’s policy is to evaluate fares annually, making incremental changes as needed.

RCW 81.104 (High Capacity Transit Legislation)

RCW 81.104 authorizes local jurisdictions to plan for and finance high capacity transportation systems through voter-approved tax options. Funding options include an employer tax, special motor vehicle excise tax, and sales and use tax.

Potential Transportation Revenues

The revenue sources described in this section are programs approved by the state legislature that authorize jurisdictions to impose fees at the local level for specific transportation infrastructure categories, with voter approval.

Property Tax Road Levy

Every county in Washington collects a property tax road levy for construction, preservation, and maintenance of county roads, bridges.

Transportation Benefit Districts

2005 legislation (Senate Bill 5177), codified primarily to RCW 36.73, allows jurisdictions to form a transportation benefit district. Funds generated can be used to finance construction of and operate improvements to roadways, high capacity transportation systems, public transit systems, and other transportation management programs. The district, if formed, could impose; new taxes and fees if approved by the electors of the district. New taxes and fees can include (1) a sales and use tax not to exceed 0.2% for a duration of up to ten years and extendable, by vote of the electors, for an additional ten years; (2) a vehicle license fee up to \$100 per vehicle; (3) excess property tax levies with a super-majority public vote; (4) tolls on state routes, city streets, and county roads as authorized by the legislature, for state routes and tolls on any roads must be approved by the Transportation Commission; and (5) impact fees on commercial development only.

Commercial Parking Tax

RCW 82.80.030 authorizes a tax on commercial parking, which can include paid parking lots, as well as parking spaces, that accompany the lease of nonresidential space. The proceeds may be used for general transportation purposes. The tax could be based on gross proceeds or fee per vehicle.

Motor Vehicle Fuel Tax (MVFT)

With voter approval a 10% surcharge can be imposed on state Motor Vehicle Fuel Tax (MVFT) for fuel sales in the county. Revenue generated would be shared, based on population, between the county and the cities within the county.