

## Funding

Since the implementation of ITS concepts are driven by allocated funds and/or available resources, it is essential to capture funding resources as early as possible during the planning stages. This information helps in identifying those concepts that generate potential early winners for deployment along the corridor. Currently there is great interest in the Dulles Corridor by the Federal Transit Administration, the Commonwealth of Virginia, the Northern Virginia Transportation Coordinating Council, regional transit operators and private companies. Funding of the identified technology concepts will most likely involve each of these stakeholders to some extent. The following are potential sources of funding for capital.

- Special ITS earmarks
- Title I funding – CMAQ, STP, NHS
- State 6-year TIP
- Public/private partnerships

Funding issues related to the establishment of an adequate, dependable, and long-term O&M funding source for ITS continues to be a major challenge facing local and regional agencies. The question is how to provide the additional funds required for operation and maintenance after the initial project capital expenditures have been exhausted and the system is operational. In recent years, public agency funding sources have been squeezed to the point where they have very little supplemental funding available for the O&M costs associated with the deployment of ITS.

The recently approved Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) retains O&M funding eligibility originally set forth in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 and amended in the National Highway System Act of 1995 as follows:

- The Surface Transportation Program (STP) program can be used to fund the “capital and operational costs for traffic management and control.” Eligible operating costs include operational and maintenance system staffing, and the tools required to make a system respond to control strategies effectively. No time limit is set for the use of operational support funding. STP funds are also renewable on a yearly basis, which provides for flexibility in requesting funds for operational activities.
- The National Highway System (NHS) program can be used to fund ongoing operating costs for traffic monitoring, management and control facilities. The term “operating costs for monitoring, management, and control” includes labor costs, administrative costs, costs of utilities and rent, and other costs associated with the continuous operation of ITS. Similar to STP funds, no time limit is set for the use of operational support funding.
- The Congestion Mitigation and Air Quality (CMAQ) fund can be used to fund both capital and operational costs, only if an air quality benefit can be determined. CMAQ funding for operations is, however, limited to a three-year time frame. After this, the improvement is considered part of the “base” transportation network.

The pending Northern Virginia 2020 Transportation Plan recognizes the need to provide sufficient operations and maintenance funding and has included these costs in its funding projections. It also advocates integration of technology funding in its high priority transportation projects.