Regional Planning Board

Funding

June 2006

Civic Consulting Alliance
Strategic partners for the public sector

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Executive Summary

The vision of the Regional Planning Board is to be more than just a combination of two entities but rather to be respected as a model regional planning agency, known for it's data analysis, tools and forecasting models as well as for its leading edge, innovative planning processes and implementation strategies.

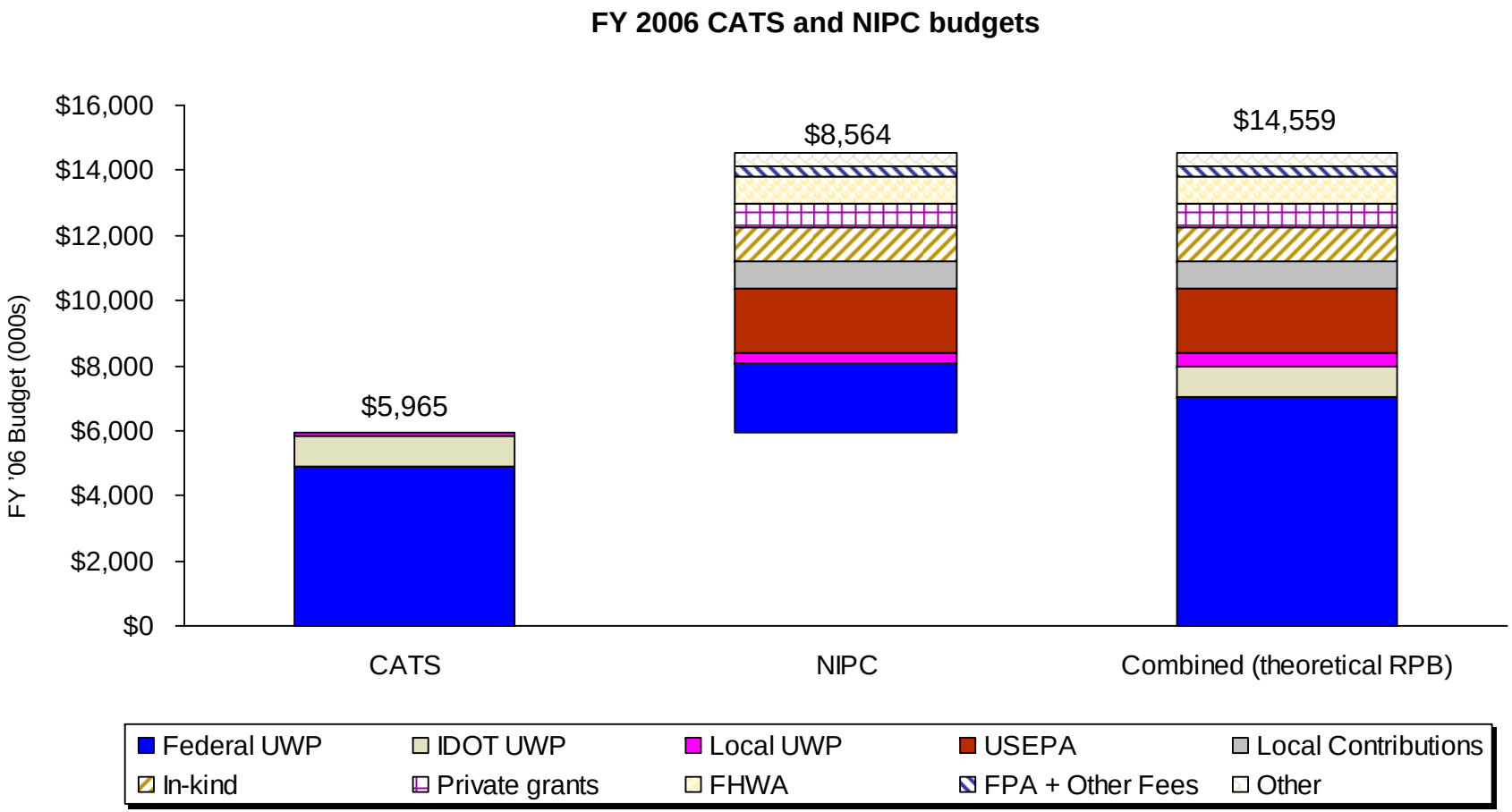
Funds for the Regional Planning Board come from local funding, transportation funding, grants and fee-for-service. We reviewed CATS and NIPC funding and also looked nationally at other regional planning organizations and have the following key recommendations:

- Create a stable source of local funding
  - Move to a mandatory contribution model for local funding
  - Update the formula using current data, now and going forward
  - Consolidate contributions (moving from nearly 500 agencies billed)
  - Use this stable local funding to fund general operations
- Maximize state and federal funding
  - Assure that federal funds are never left unused due to a gap in matching funds
  - Investigate state resource commitments
  - Consider a system for covering the 20% non-Federal match required for transportation funds
- Seek high impact grant funding for strategic initiatives
- Pursue providing fee-based services, as the agency builds relevance and credibility

Overview

- CATS and NIPC Budgets
- Funding Characteristics

Budgets for CATS and NIPC



Source: NIPC FY 2006 Budget, CATS Annual Report

Breakdown of key funding characteristics from other planning organizations

	(Figures in $MM)	ARC Atlanta	DVRPC Philadelphia	MARC Kansas City	MWCOG Wash. DC	SANDAG San Diego	SEMCOG Detroit	NIPC/ CATS
Sources	Budget	50	21	49	23	50	11	14
	Mandatory local contributions	3.7	1.7	0.4	2.8	2.4	2.0	
	Voluntary local contributions			0.1				1.2
	Fee-based services	0.40	2.00	0.04				0.06
	State/Federal Transportation*	20.7	16.2	6.8	12.9		8.4	6.4
	Other (restricted grants, etc.)	25.2	1.1	41.7	7.3		0.6	6.3
	Taxing authority					X		
	Private grants (sought)	X		X	X		X	X
	Donated services			X				X
Outputs	Provides human services	X		X	X	X		
	Makes land use decisions					X		
	Makes grants	X	X			X		
	Local contributions used for discretionary funding	X		X	X	X	X	X
	Total Staff	150	115	112	125	173	70	80
	Population ('04,'05; MM)	3.8	5.5	1.8	4.5	3.1	4.9	8.4

Source: Agency Interviews, annual reports, and UPWP documents * Includes funding titled "Transportation" w/o local match (FY '05, '06)

Local Funding

- Create a stable source of local funding
  - Move to a mandatory contribution model for local funding
  - Update the formula using current data, now and going forward
  - Consolidate appropriations (moving from nearly 500 agencies billed)
  - Use this stable local funding to fund general operations

The challenge of voluntary local contributions

- NIPC currently has a structure for voluntary contributions:
  - From nearly 500 local government entities (Cities, counties, park districts, sanitary districts, forest preserves,…) each of whom expects relevance on a local level.
  - Only 54% of requested dollars were received in 2005.
  - It is difficult to predict available funds in any given year, with no real predictability on those that choose to stop providing funding (see article below)

- Most other regions receive funding from their constituent counties and a handful of the major cities

NSSD bolts NIPC

May 11, 2006

▪ Planning agency: Trustees cite dues cost

By Ed Collins
SPECIAL TO THE NEWS SUN

GURNEE — North Shore Sanitary District trustees decided at their monthly meeting Wednesday to drop the district's long-standing membership in the Northeastern Illinois Planning Commission.

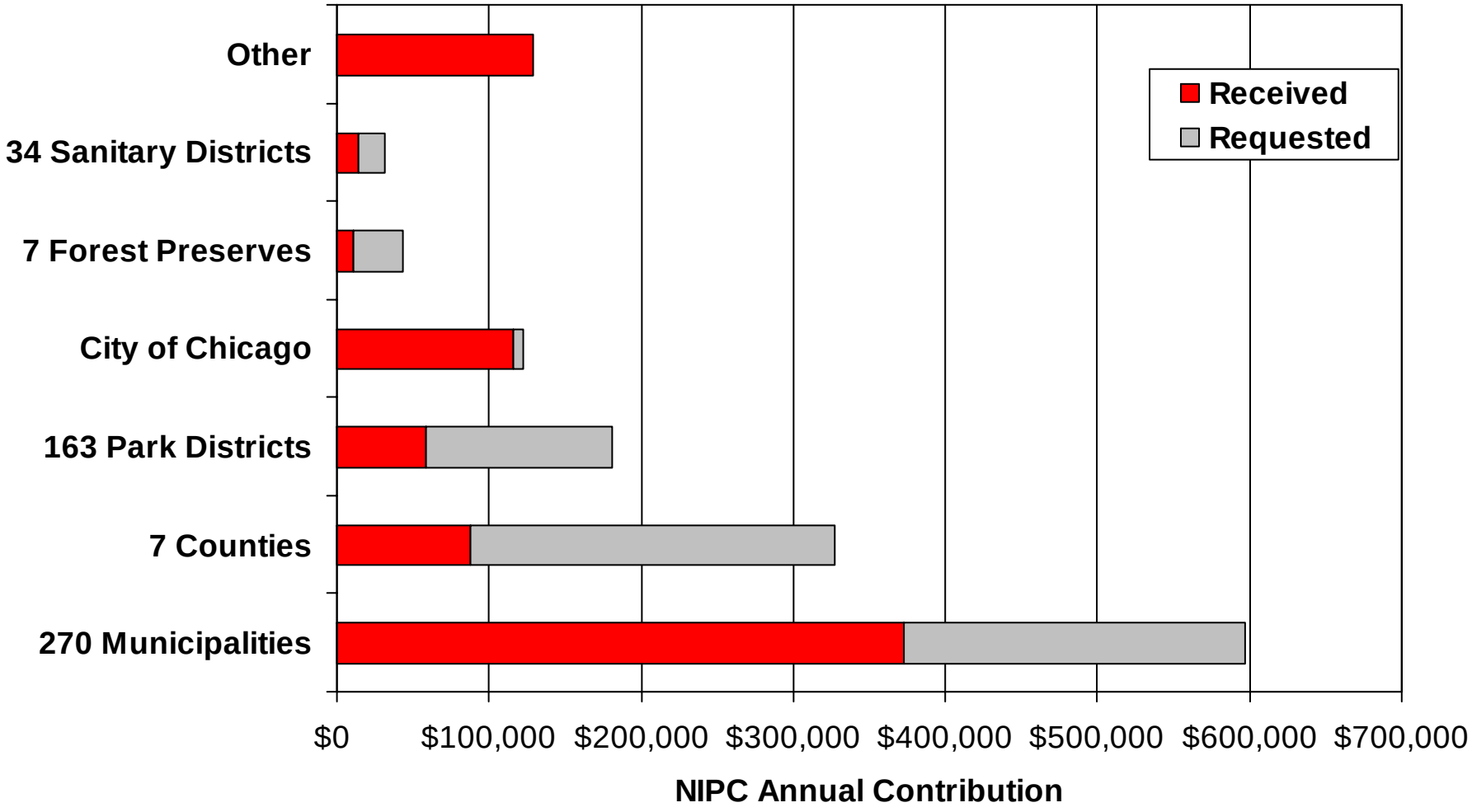
The move will save $8,244 in annual dues. Last year, NIPC's dues were $7,852.

"They haven't done anything for us in years," Ward 4 Trustee James Swarthout of Lake Forest told fellow board members.

Immediate past district President John Paxton of Winthrop Harbor agreed. "They are controlled by the city of Chicago. I can't recall the last time they provided us with any service," Paxton said.

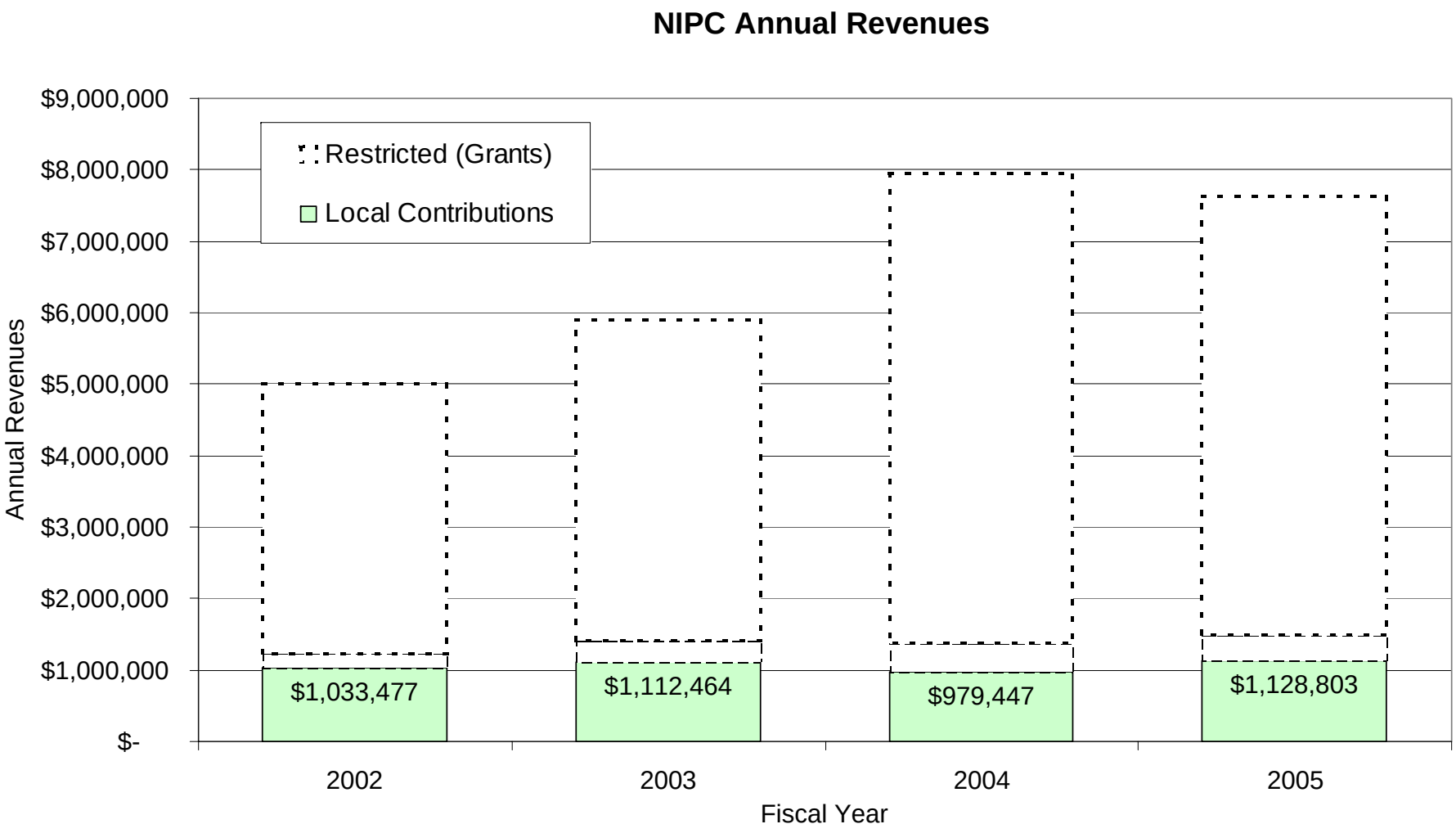
Source: News Sun, May 11, 2006 (http://www.suburbanchicagonews.com/newssun/top/5_1_WA11_NSSD2_S1.htm)

For fiscal year 2005, NIPC received 54% of the amount it requested in voluntary contributions



Source: FY 05 NIPC CONTRIBUTIONS LIST

NIPC voluntary contributions are an important source of funding for annual operating expenses but are unpredictable. These funds have not kept up with the increasing demands of a major regional planning agency



Source: NIPC Annual Financial Reports

Compared to other regions, NIPC/the Regional Planning Board, is operating at a significant funding disadvantage

	Municipalities Contributing		Basis	Per capita	Funds planning and other services	Used for Local UWP Match	Amount ($MM)
	Mandatory	Voluntary					
ARC (Atlanta)	11	0	Population	$1.00	Yes (human services)	Yes (plus state funds)	3.7
DVRPC (Philadelphia)	13	0	Population	$0.31	No	Yes	1.7
MARC (Kansas City)	11	~100	Population	$0.28	Yes (human services)	No (State, local in-kind)	0.5
MWCOG (Wash D.C.)	20	0	Population	$0.60	Yes (human services)	Yes (10% local, 10% state)	2.8
SANDAG (San Diego)	19	0	Population	$0.77	Yes (criminal justice)	No (Sales tax)	2.4
SEMCOG (Detroit)	7	160	Property Value	$0.41	No	Yes	2.0
NIPC	0	489	1974 Revenue	$0.13	No	Yes (plus in-kind)	1.1

54% chose to contribute in 2005

Of $1.7 MM asked

Source: Agency Interviews, annual reports, and UPWP documents

Local Funds: An approach for the Regional Planning Board

- Make the local funding mandatory
  - If the current structure were moved from Voluntary to Mandatory, the funding would increase by $800,000 to $1.7 million.

- Base the formula on current data, rather than based on fixed data from 1974
  - If the formula were moved to a population-based formula, based on current estimated population of 8 million, funding levels would increase significantly

    $5.04 MM (using the Washington DC formula)

    $8.4 MM (using the Atlanta formula)

- Determine goals of the RPB, identify funding requirements, and link the mandatory contribution formula to the cost of implementing goals of the RPB (considering the need for increased expert staff and outside resources).

- Reduce the number of groups billed
  - Billing almost 500 groups is an unnecessary complexity and requires significant administrative resources

State and Federal Funding

- Maximize state and federal funding
  - Assure that federal funds are never left unused due to a gap in matching funds
  - Investigate state resource commitments
  - Consider a system for covering the 20% non-Federal match required for transportation funds

All of CATS' projects focus on transportation planning and programming

CATS Authorized Projects and Funding (FY 2005)

Total (all funding through Federal Highway Admin, IDOT)	$ 5,965
TIP and CMAQ Program Development, Monitoring and Public Inv	$ 675
General Public Information and Involvement	$ 646
Travel/Data Monitoring	$ 441
Regional Internet Planning Databases Archive & Inventory	$ 414
Public Involvement for the RTP Update	$ 340
Reg. CoM Support and Management of Transp.Planning Prg	$ 327
Highway and Transit Project Assistance	$ 304
RTP/TIP Conformity Analysis and SIP Consultation and Coordination	$ 277
Travel Model Development and Support	$ 228
Regional Baseline Data & Inventory	$ 210
Transportation Management & Operations	$ 210
Congestion Monitoring	$ 201
2030 Regional Transportation Plan	$ 200
Implementation of the ITS Component of the RTP	$ 194
Coordination of STP with Local Elected Officials	$ 163
Regional Pedestrian Safety Initiative	$ 150
Regional Rideshare Services Program	$ 148
International Conference on Privatization	$ 147
UWP Development and Monitoring	$ 120
Financial Scenarios for 2030 Regional Transportation Plan	$ 100
Freight Operations Analysis and Research	$ 78
Bicycle and Pedestrian Planning	$ 77
Regional PAQB Development and Tracking	$ 68
C4T Initiative	$ 63
Transportation Planning for Seniors and People with Disabilities	$ 61
Comprehensive Study of the Private Sector Transit Industry	$ 50
Motor Freight Velocity Project	$ 31
Transit New Starts Technical Assistance	$ 26
Freight Media Project	$ 17

Source: FY 05 UWP

NIPC focuses on a variety of issues, mostly comprehensive planning and environmental planning

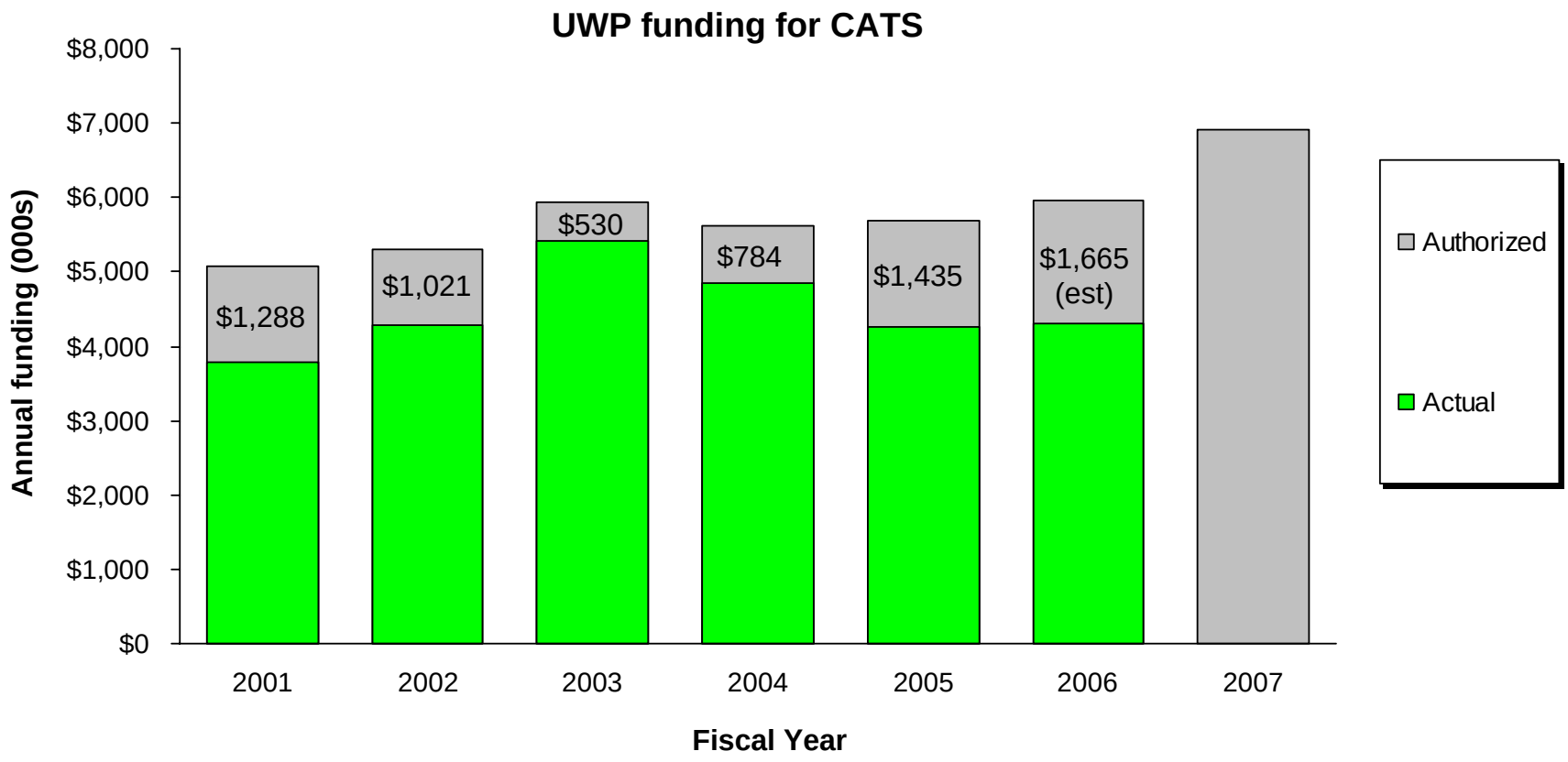
NIPC Projects, Funding Amount and Source (FY 2005)

Total	$	7,936
Federal Highway		
Implementation of 2040 Regional Framework Plan	$	785
Population, Household, & Employment Forecasts	$	450
Growth Monitoring and 2005 Land Use Inventory	$	435
2040 Framework Plan Reports	$	280
Geographic Information Systems	$	250
Public Involvement	$	211
Regional Transportation Plan	$	135
2005 Digital Orthophotography	$	125
IDOT/FHWA Supplemental	$	500
IDOT/FHWA Supplemental Carryover	$	364
IEPA/USEPA		
Fox River Ecosystem	$	1,780
DesPlaines Ecosystem	$	377
Watershed Basin Planning Phase I	$	342
WQ Amendments	$	60
IEPA Popular Creek Watershed	$	87
IEPA Volunteer Lake Monitoring	$	73
IDNR Outreach	$	31
Other State	$	2

US Dept. of Commerce		
TOP Full Circle	$	410
USEPA		
Lake Michigan Academy Phase II	$	51
McHenry ADID	$	18
Historical Preservation		
Nat'l Trust Historical Preservation	$	18
Illinois Conservation		
Total ICF	$	72
Other Grants		
MacArthur- Data Exchange	$	305
Village of Beecher Visioning	$	173
MacArthur- New Communities	$	115
Seagrant	$	79
Cook FPD- Maple Lake	$	43
Other	$	16
Sales, Fees	$	59
WQ Review	$	250

Unified Work Program (UWP) projects provide the entire budget for CATS

- **Because of state hiring status, CATS has been unable to access the full allotment of these federal funds**



Source: Unified Work Program for transportation planning in northeast Illinois
Note[1]: 2007 approved UWP

State and Federal Funds: An approach for the Regional Planning Board

- Staffing constraints imposed by the State will be removed when CATS merges with NIPC to form the Regional Planning Board. This will free up $1MM - $2MM of additional funds that can be used directly to hire expert resources to fulfill the RPB mission

- RPB should develop a methodology for covering the non-federal portion (20%) of the transportation funds

- While not specifically addressed in this document, work is already underway to better understand the opportunities to leverage federal transportation dollars for broad based regional planning and to provide incentives for alignment with the regional plan.
  - As an example, ARC uses part of its UWP funding for a Livable Cities Initiative that provides grants as an incentive to cities for local projects that follow the regional plan

- Investigate state resource commitments for opportunities to support the RPB, given its expanded mission and importance to a broad array of state functions

Grants

- **Seek high impact grant funding for strategic initiatives**

Grants: An approach for the Regional Planning Board

- In FY 2006, NIPC received 30 grants with an average value of $222K. Of the 30 grants, 10 were less than $75K. The longer term goal should be to receive more, larger grants focused on high impact, strategic projects.

- Grantees have been historically concerned about using grants to fund the core operations of the agency. With an increased level of stable, predictable funding that can be used directly for this purpose, overhead costs will be lowered and this should provide more flexibility to solicit and use grants for special high impact projects.

- Further, while not specifically addressed in this document, work is already underway to strengthen staff capability in providing reliable data and tools, regional forecasting and innovative planning models and strategies, and partnership for implementation, influence and alignment with the regional plan. This enhanced capability will also position the RPB to receive more significant high-impact grants.

Fee for Service

- **Pursue providing fee-based services, as the agency builds relevance and credibility**

Fee-for-Service: An approach for the Regional Planning Board

- The combined organization (NIPC and CATS) currently receives under $60,000 in annual fees for service. This can be contrasted to Atlanta at $400,000 and Philadelphia at $2 million. It is clear that there are significant future opportunities to expand in this area.

- While not specifically addressed in this document, work is underway to better understand the work that might best fit in this area – work that is unique, differentiated, and innovative. We expect this area of future funding to be an important growth area as the agency begins to strengthen its capabilities and expert resources.

Next Steps

- Define the range of options in each funding area
  - Local funding
  - State and federal funding
  - Grants
  - Fee for service
- Define the funding implications for the roles and responsibilities of the agency
- Decide which funding options to pursue
- Create the funding strategy as part of the report to the legislature