CHAPTER 6: FUNDING & GOVERNANCE

Governance is often considered to be the institutional structure used to oversee and provide services. The options in this chapter range from institutional structures to the initial processes used to make decisions. Funding is closely related as the funding options are often defined – or limited – by the choice of governance structures. The funding structure will also influence the governance structure by defining the agencies that will pay for service and the control they will exert over services.

The topic of regional transit services is one that has not been thoroughly developed for the NFRMPO region. Indeed, this planning process is the first that will present a network plan for regional transit services and recommendations and strategies for achieving this plan. These are seen as pre-cursors to serious discussions about governance and funding.

The chapter begins with a discussion of funding requirements as it is useful to understand the order of magnitude of the funding requirements, fund sources, and agencies roles in funding regional services before considering governance.

FUNDING

All of the alternatives will require a funding source to be viable. Even the "status quo" alternative, which would continue the US 287 service, requires stable ongoing funds for operation. The context for funding of regional services provides a useful introduction for this section. At present:

- Local areas are having difficulty funding local transit services. Federal Transit Administration (FTA) funds are available, but must be augmented with local funds for covering operational costs. Systems with more extensive transit services also must augment the FTA funds in order to maintain their capital foundation.
- There is uncertainty in the level of FTA funding that will be available, both because of potential changes in urbanized area boundaries and because new transportation legislation is needed.
- The role of the State in funding regional transit services needs to be defined.

It will be important to determine the level of local funding that will be needed to support regional services. It is likely the voters will need to be asked what if any level of regional service they are willing to fund.

Several parties may share funding responsibilities for regional transit services, and they may be different parties in each corridor. Additionally, funding may include Federal, State, and local funds. There are sources of money available for pilot projects, but it will be critical to develop a stable on-going funding source in order to provide regional services.

The total costs estimated for each alternative were identified in Chapter 5. This section explores:

- The eligibility for Federal funds, the matching requirements, and anticipated fare revenues for each alternative.
- Potential Federal, State, and local fund sources.
- The availability of funding for regional services, including the potential new sources

It concludes with a discussion of the funding issues that will need to be addressed as the region and State begin to develop regional transit services.

REVENUE BREAKOUTS: FEDERAL, MATCH, AND FARES

The total funds budgeted for transit come from a combination of Federal funds, matching funds, and operating revenues (including fares and advertising). The percentage that will come from Federal, State, local, and operating revenues can be estimated. This provides a basis for discussing the amount of funds required for each alternative and the role of Federal, State and local funding for capital and operating expenditures.

Figure 6-1: Typical Operating Revenues

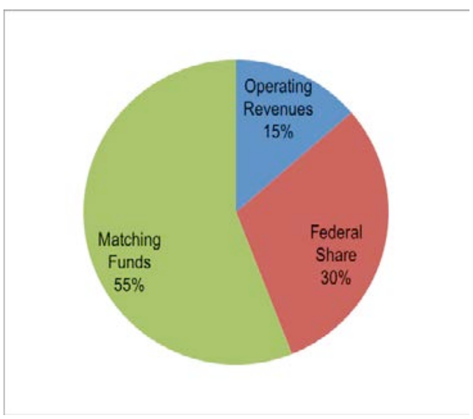


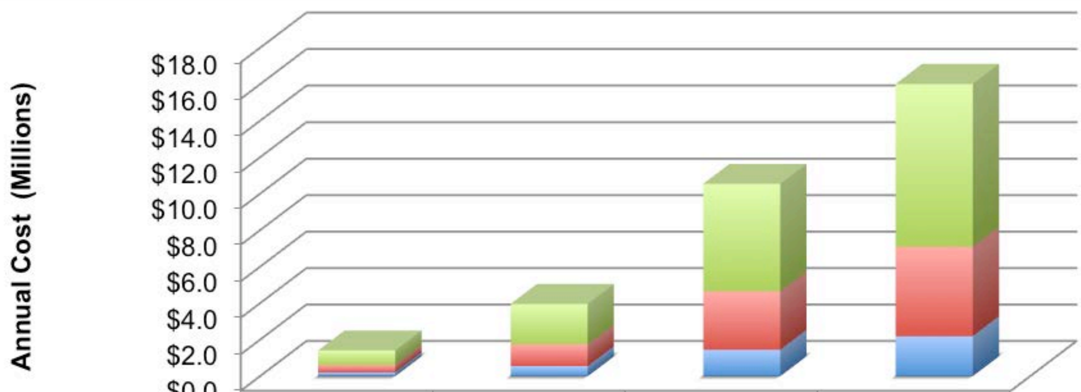
Figure 6-1 illustrates the typical breakout of revenues for the operating and capital expenses associated with regional transit services. The percent of funding from fare revenues (or other operating revenues such as advertising) will vary by corridor and are estimated at 15%. The balance of funds may come from a combination of federal and matching funding. The matching funds required for regional services on average are 30% of the total cost. Matching funds may be sales tax, student fees or revenues from state sources that can be used for matching.

In estimating eligibility for Federal revenues, the funding rules that apply to large urban areas are assumed to apply here. This means Federal transit funds may not be used for operations, except for what is referred to as the "capital cost of contracting[9]." This generally equates to around 35% of net expenditures, but

[9] The capital cost of contracting is defined by the FTA as costs attributable to privately owned assets that are consumed in the course of a contract. In addition, the FTA provides assistance for maintenance. To

depends on contracting arrangements. The balance will be local or State matching funds. On the capital side, 80% is assumed to come from Federal and 20% from matching funds. Combining the revenue sources for operating and capital expenses results in the annual estimated funding requirements for each alternative illustrated in Figure 6-2.

Figure 6-2: Estimated Funding Requirements for Alternatives



	Status Quo	Basic	Moderate	High
Matching Funds	$0.8	$2.2	$5.9	$8.9
Federal Share	$0.4	$1.2	$3.2	$4.9
Operating Revenues	$0.2	$0.5	$1.4	$2.2
TOTAL	$1.4	$3.9	$10.5	$16.0

TOTAL FUNDING

The funding levels required for the Status Quo, Basic, Moderate, and High alternatives are listed in Table 6-1. In this study we do not have the resources to adequately estimate funding requirements for the Very High alternative.

The costs in Table 6-1 are based on operating costs of $75 per hour and capital costs of $350,000 per vehicle. Capital costs have been amortized over 12 years.

avoid burdensome rules, the FTA allows recipients to use a percentage of leased service or contracted maintenance capital costs without detailed justification and will pay for 80% of this amount as a capital expense. For example, under a service contract where the contractor provides maintenance and transit service and the public agency provides vehicles, 40% of the contract is eligible for 80% Federal share. Source: Federal Transit Administration Circular 9030.1D, May 1, 2020,Chapter III, section 4 &Exhibit III-1.

Table 6-1: Funding Requirements per Capita

Alternative	Annual Expense in 2010 Dollars[a]	Per Capita $ based on 2005 Population[2]	Per Capita $ for 2035 Population[2] (Current $)
Status Quo	$1.4 M	$3.23	$1.95
Basic	$3.3 M	$7.59	$4.58
Moderate	$10.3 M	$23.45	$14.16
High	$14.7 M	$33.37	$20.14

Notes:

(1) These are net costs, exclusive of fare revenues, so are slightly lower than the totals in Figure 6-2

(2) Modeling Area Population: 2005 =440,000;   2035 = 729,000

It is useful to have a frame of reference for the above numbers. One can compare these amounts to the total transit budgets in Greeley, Fort Collins, and Loveland to see how expenditures on local transit services compare to the regional transit alternatives. These amounts, based on 2009 operating budgets and 2008 city population levels, are listed in Table 6-2.

Table 6-2: 2009 Costs per Capita for Local Transit Services

City	Operating	Capital Estimate	Total Estimate
Greeley	$22.63	$2.50	$25.00
Fort Collins	$43.99	$4.40	$48.00
Loveland	$10.79	$1.08	$12.00

Capital varies widely from year-to-year so it is included only as an estimate of 10% of operating expenditures when averaged out over time. The above numbers show a significant difference in expenditures per capita among the three communities.

FEDERAL, STATE, AND LOCAL FUND SOURCES

The basic options are listed here with a discussion of what each can be used to fund. This begins with Federal sources and then moves to state and local revenue sources. Table 6-3 summarizes the fund sources discussed.

Table 6-3: Key Fund Sources

FTA 5307	FTA 5309	FTA 5311	FTA 5316	USDOT CMAQ	Other FHWA	State FASTER	Local General Fund
Use (operations or capital) depends on area	Capital. Discre-tionary funds	For rural areas only. Used for adminis-tration, operating and capital	Can fund up to 3 years operating or capital under Job Access program.	Can fund up to 3 years of operating or capital	If other FHWA funds, e.g., STP Metro, are transferred to transit, they assume characteris-tics of FTA program they are transferred to.	Currently the Attorney General 's interpretation of statue allows for capital only. Some discussion of future use for operations	Generally unrestricted; can be used for operating or capital.

Federal

The most common source of Federal funding for transit services are FTA funds. There are a variety of programs, with the Urbanized Area formula funds (known as Section 5307 funds) and the Bus Discretionary funds (Section 5309 funds) most commonly used in the region. Rural transit providers also use Section 5311 funds. Some facts about these fund sources follow.

- The Urbanized Area (Section 5307) funds are allocated to an agency known as the Designated Recipient. For the Fort Collins/Loveland Transportation Management Area (TMA) this is the City of Fort Collins and for the Greeley/Evans urbanized area the funds are handled by the City of Greeley.
- The Section 5307 formula funds are distributed to the TMA and the City of Greeley on the basis on population, population density, and miles of bus service operated. These allocations are made at the Federal level and published in an annual Federal Register notice.
- The NFRMPO is responsible for facilitates the allocation of Section 5307 funds between the member jurisdictions in the TMA through an approval process.
- The 5309 discretionary funds have most recently been distributed at the Federal level based on earmarks. The Colorado Transit Coalition has led the lobbying effort for the State. Based on the current political climate, it is anticipated that the earmark process will be sharply limited in the future. Instead, the Federal Transit Administration will likely play a stronger role in funding decisions.

- The Section 5307 funds are fully utilized for current services, although the agencies within the TMA do transfer funds amongst themselves based on need and availability of local matching funds. Agencies within the MPO currently providing transit services and participating in this internal allocation include Fort Collins, Loveland, Berthoud, Larimer County, and the MPO.
- The 5309 discretionary capital funding has been critical in helping local agencies replace their fleets and provide adequate facilities. There will be strong competition for these funds in the future.
- Other FHWA funds (e.g., CMAQ or STP) that are “flexed” to be used for transit are transferred into the existing FTA programs and must abide by the same rules.

Congestion Mitigation and Air Quality Funds (CMAQ) are another important fund source. These funds can be used at an 80% Federal level for starting new services. They can fund up to three years of operating service (at 80% Federal) and can also be used for purchasing equipment.

Other Federal funds eligible for “flexing” or transferring to transit projects include **National Highway System, Interstate Maintenance, Surface Transportation Program (STP), Highway and Bridge Replacement and Rehabilitation, and Highway Safety Improvement Program** funds. A well-defined process has been identified by FHWA and FTA. As with transit funds, these are fully utilized in the region at present. There may be opportunities to transfer funds to take advantage of local overmatching if any occurs, but this cannot be counted upon.

State Funds

Colorado now has Funding Advancements for Surface Transportation and Economic Recovery (**FASTER)** funds that can be used for transit capital. The safety portion of FASTER funds can potentially be used for improvements at some transit facilities, such as park and rides. Compared to the need for transit funding the amounts are limited, but the availability of these funds is an important step. At present, the Attorney General has found that because these funds flow through the Highway User’s Tax Fund, they can only be used for capital expenses, although this conflicts with the actual legislation. It is anticipated that this issue will be revisited but at present they are not considered available for operations or matching Federal operating dollars.

FASTER funds are available on the ”local” and ”statewide” levels. The “local’ FASTER funds are available through CDOT Region 4 and have an emphasis on regional and local projects. FASTER funds in the statewide pot will place first priority on projects of statewide and inter-regional significance. Applications were solicited in the Fall of 2010 for 2010, 2011, and 2012 funding. Projects sponsored by CDOT are eligible at 100% for FASTER grants, requiring no local match.

The State of Colorado does not have a source of local matching funds, so CDOT is in a position similar to local jurisdictions when it comes to providing operating funds for regional services. Transit is not at present an allowable expenditure for Highway User's Tax Funds (HUTF), the State's primary source of State matching funds for roadway projects.

CDOT also is responsible for administering and allocating Federal transit funds for several programs. These include the section 5311 Rural Transit, 5310 Elderly & Disabled Capital, 5316 Job Access, and 5317 New Freedom programs. The 5311 program is only for rural areas, the 5310 funds are for the entire MPO region, and the CDOT administered 5316/5317 funds are for rural and small urban areas. Of these funds, only 5311 and 5316 could potentially help fund the proposed regional transit services. (The NFRMPO manages a separate 5316/5317 fund pot for the Fort Collins/Loveland TMA.)

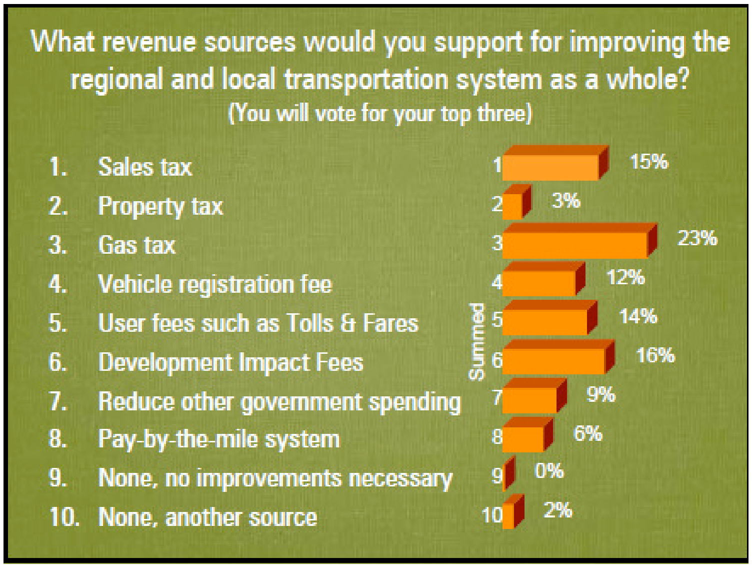
These program boundaries can be confusing and it can be a challenge to blend the various fund sources into a cohesive program that supports regional goals. Another important consideration is that over the period of this plan, many areas are anticipated to go from rural to urban, based on US Census definitions. Consideration is needed on how to transition between the fund sources.

Local Funds

Matching funds for transit presently come from the local general funds of most jurisdictions in the North Front Range region.

Additional funding will be needed for implementing regional transit services. Some insight can be gained into the funding preferences of residents based on the participant responses in the NFRMPO March 2008 Regional Summit on Transportation. As illustrated in Figure 6-3, summit participants supported increased gas tax over other alternatives, but only by a small margin. Other options that were in the running included sales tax, vehicle registration fees, user fees such as tolls and fares, and development impact fees.

Figure 6-3: Revenue Sources for Transportation (NFRMPO 2008 Regional Summit)



NFRMPO recently prepared a report on transportation impact fees. At present development impact fees can only be used for capital expenditures. Some states allow such fees to be used for transit operations. As Colorado considers how to fund transit services as part of a multi-modal transportation network, it may useful to explore this possibility.

FUNDING AVAILABILITY

In considering what services might be funded, a first step is to understand the revenues that might be generated by the services and the costs that are eligible for Federal funding. Then, one needs to consider the funds that are available. This section begins with a discussion of Federal funds and then continues with a discussion of matching funds.

Federal Fund Availability

Earlier in this chapter it was noted that Federal Section 5307 funds are all presently used by the existing transit providers. However, Section 5307 funds are allocated in part based on the bus miles operated, so this fund source will increase as more miles are operated[10].

The current Federal Transit Administration formula allocates $0.48 per mile of operation, but this will change both with the Census results and the next transportation authorization legislation. Table 6-4 identifies the amount of additional 5307 funding that might be expected based on expanded operation of regional service.

[10] The miles are reported through the National Transit Database so funding increases lag two to three years behind the provision of service. These increases in funding are considered a "new" resource, with the exception of funds for the portion of US 287 service that was previously operating as the Foxtrot..

Table 6-4: Potential Additional Future Formula Funds Based on Operating Regional Services

Corridor	Status Quo	Basic	Moderate	High
A. US 287	$215,000	$215,000	$419,000	$426,000
B: I-25		$399,000	$783,000	$928,000
C: US 85	$0	$0	$184,000	$351,000
D: Greeley/Longmont (SH 119)	$0	$0	$0	$127,000
E: Evans/Milliken/Johnstown	$0	$0	$97,000	$181,000
F: US 34	$0	$99,000	$165,000	$293,000
G: Fort Collins/Windsor Greeley	$0	$118,000	$266,000	$298,000
TOTAL	$215,000	$831,000	$1,914,000	$2,604,000

Comparing the numbers in Table 6-4 to those in Figure 6-2, one sees that the additional Section 5307 funds the region might receive are about two-thirds of the amount of the costs identified as eligible for Federal funding. Other Federal funds (such as STP Metro) could be flexed to the transit program for the difference in eligible capital costs. FHWA has a well-defined process for transferring funds between highway and transit modes (or the other direction) and NFRMPO and CDOT staff have used this process previously.

> EXAMPLE
> The Relationship of FTA Section 5307 Fund Growth to New Service Provision.
>
> Figure 6-2 shows the Moderate alternative would be eligible for $3.2 M in Federal funding.
>
> Table 6-4 identifies that the amount of additional 5307 funds that would be generated is anticipated to be $1.9 M.
>
> The difference of $1.3 M could be funded through a transfer from another Federal source. These matching funds are for Federal capital match, so STP Metro funds could be used.

It is important to note that these additional allocations through the National Transit Database reporting can take three years to show up. After the service is operated in one calendar year, the miles are reported to the National Transit Database (year two). The data is then used to calculate apportionments for year three.

The use of CMAQ funding for operating and capital expenses for the first three years of service is a valuable strategy, as it allows time for the Federal apportionment to be increased to reflect the additional service that is operated. This also allows time to determine if other Federal funds can be flexed to fill in the gap in Federal funds and to determine how local matching funds will be provided so service will be stable. The challenge of developing a stable source of Federal and matching funds for the US 287 service (FLEX) is now facing the region as the FLEX route will only be eligible for CMAQ funding for two more years.

Matching Fund Availability

The local/state matching fund requirements range from $800,000 for the status quo alternative to $8.9 M for the high alternative.

Most of the services in this plan are recommended as part of the North I-25 EIS. These services present Colorado with a new situation. What funding responsibility for the transit services recommended in the North I-25 EIS should fall to the State and what to local jurisdictions?

Traditionally in Colorado:

- CDOT has funded improvements on the interstate highway system, even though these highways are used for both regional and local auto trips. Federal funds and the necessary matching funds (typically from HUTF) are allocated regionally for these improvements.
- Local jurisdictions have funded transit services, providing local matching funds for Federal transit dollars.

Local jurisdictions do not have the political mandate to fund the local match for such regional transit services. Local jurisdictions, NFRMPO, and CDOT will need to work cooperatively to address the issue of how to provide matching funds for these services.

Colorado now has FASTER funds available to use for transit services. In the last legislative session CDOT, through the creation of the Division of Transit and Rail, received the authority to operate transit services. However, the State has not had authority to use its Highway User's Tax Fund (HUTF) monies for transit operations. The opinion of the Attorney General's office is that FASTER funds are subject to the Constitutional restrictions applying to HUTF monies and therefore can only be used for capital. As transit is primarily (80 - 90%) an operating expense, there is a need to address the issue of how the State will fund the operation of regional transit services such as those in the North I-25 EIS.

The question is complicated by the rules that have been set up to govern the Federal funding programs.

- Transit funding, like highway funding, is authorized in different programs – for urban and rural services, for operating and capital expenses.
- At the Federal level, the transportation authorizing legislation allows for "flexible" funding, but the funds need to be used for the category for which funds were originally authorized. This is generally capital funding.
- Transit services ultimately must form a cohesive network, and these networks will need to connect local and regional services. Effective regional services must be well integrated with local services.

This situation is one that will also occur elsewhere as Colorado moves forward on developing a multi-modal transportation network. The issue of how to fund regional transit and rail ultimately may require legislation to resolve.

The State will need to be engaged in discussions about how matching funds can be provided for the services the State has planned as part of the North I-25 EIS. At present FASTER funds can only be used to match the capital expenditures for transit services.

In addition, local jurisdictions will need to discuss how to divide their funding responsibility for regional services. Cost sharing might be based on miles traveled in each jurisdiction, passengers boarding in each jurisdiction, or a combination[11].

It is important to understand the magnitude of funding that might be required under each alternative, and what the State and local jurisdictions will contribute for matching and for federal funds. It will be necessary to address the question of funding responsibility in order to identify the amounts that the local jurisdictions and State would pay under each regional alternative. Appendix F presents numbers for the regional alternatives illustrating different ways of sharing costs.

Decisions on the appropriate share that will fall to local jurisdictions and to the State leads to the topic of governance. In selecting the governance structure, remember that the control should generally rest with those agencies responsible for funding the services. So, as with the funding discussions, it will be useful to engage CDOT in the discussions of governance options.

GOVERNANCE

From the perspective of the efficient delivery of transit services, a single entity responsible for providing regional transit services would be desirable. However, the jurisdictions in the region have different community values, priorities, and methods of delivering and funding services. It is likely that a solution will be needed that can reflect the different values across the region or provides for coordinating services across jurisdictions.

In addition, it is useful to consider the other governance requirements for delivering transit services. Local entities currently provide individual governance for local services. Each of the county governments provides the institutional structure for rural transit services. In Weld County, the county government is at present the only provider of rural transit service and submits a single grant. In Larimer County, the county submits a consolidated grant on behalf of Larimer

[11] The current IGA for FLEX services is based on dividing local costs in thirds, with Larimer County, Loveland, and Fort Collins each responsible for one-third. Other costs are covered by Federal funds and partners outside the region.

County, Town of Berthoud, and City of Loveland. Larimer County then executes agreements with the other two entities. Governance options that unify and simplify this process would be valuable.

ROLES

In Colorado local jurisdictions have typically been instrumental in establishing regional transit services. As the region grows and as transit options become more integrated into the overall transportation network, the roles of different levels of government are changing.

Local

The voters, or their elected officials at city and county levels, have the power to authorize an institutional structure for regional services. Some institutional structures (such as an intergovernmental agreement or a Regional Service Authority) can be established by elected officials. Others, such as a Regional Transportation Authority, must be authorized by the voters. The voters must authorize any increase in taxes used to fund regional transit services.

MPO

The MPO does not have a direct involvement in determining a governance structure for regional transit services, but has a role in:

- Facilitating discussions and building consensus.
- Adopting policies supportive of regional governance options that provide for coordinated service delivery and service levels reflective of community values.
- Setting policies for funding or recommending funding for services that best fit within the adopted plan.
- Adopt policies to link TDM activities and regional transit services, monitoring the effectiveness of the investment in these regional transportation services.

The MPO Planning Council, its Technical Advisory Committee, and the Transit Advisory Group have roles in setting policies and developing a regional consensus on matters related to the transit mode and related issues.

State

The role of the State is changing. In the North I-25 EIS, transit services are part of the long-term solution, yet it is only recently that the State has been given the authority to operate transit services. State-level policies regarding funding of transit services – whether it is through flexing of federal funds or providing matching dollars for such funds – have not been developed.

The potential of CDOT operating regional transit and rail services is one option that has been identified and will be important to consider.

GOVERNANCE OPTIONS

Local entities that provide transit services have explored options for providing regional transit services. An intergovernmental agreement is used to provide FLEX services and governance options were explored thoroughly in the Fort Collins and Loveland strategic transit plans. Basic options include:

- Intergovernmental Agreements (IGA). Easiest to establish for a single route with a limited number of partners. Relies on annual budgetary commitment and renewal.
- Regional Service Authority (RSA). A RSA can provide either or both local and regional services. Local jurisdictions can purchase transit services at the level they desire from the RSA. Can be established by jurisdictions or by voters. With approval of voters can levy a property tax. The Fort Collins and Loveland strategic transit plan recommended this alternative.
- Regional Transportation Authority (RTA) Provides for transit services within a flexible boundary. Generally used for both local and regional services. Requires vote to establish. Can levy sales tax, motor vehicle registration fees, and visitor benefit taxes, with approval of voters.
- Mass Transit Authority. Counties can establish Mass Transit Authorities with the ability to levy a sales tax. This option is generally used in rural counties, with Eagle and Summit counties as examples. County Commissioners serve as the Board and cities do not have a formal role on the board.
- State. CDOT now has the authority to operate transit and rail services, but this has not yet been put into practice.
- Combination Options. Some areas combine one or more options, using special districts in addition to local authority. For example, an RTA could be set up for the express purpose of providing regional services. Local jurisdictions would still operate transit services within their jurisdictions. Only the costs of providing regional services would be shared by participants in such a structure. The costs of local services would remain with each jurisdiction.

In considering options, it will be important to consider the role of the State, and this will reflect their role in funding services. If services are funded locally, will the State have voting rights for regional services? Similarly, if services are funded by the State, what would be the role of local governments? In a blended system, how would the funding and decision-making control be balanced? It is useful to note that the RSA specifically allows for the State to be a member organization. The State could also be a party to an IGA.

If the State was responsible for operating regional transit services, it is likely a combination governance structure would be needed as the State would only be interested in providing for services of statewide interest, and not the local connecting services.

RELATIONSHIP OF FUNDING AND GOVERNANCE

At the beginning of this chapter, it was noted that the choice of governance structures can impact or limit the options for local funding. Table 6-5 identifies the primary local fund sources associated with each governance option. As NFRMPO works with CDOT and local jurisdictions to determine funding and operating responsibilities, these are important considerations.

Table 6-5: Funding and Governance

Governance Structure	Impact on Funding Options
Intergovernmental Agreements (IGA)	May use any local general fund source. New revenues would need voter approval, but could come from a wide variety of sources.
Regional Service Authority (RSA)	Jurisdictions can purchase services from RSA, with local funds coming from General Funds. If additional revenues are needed, with voter approval an RSA can levy a property tax.
Regional Transportation Authority (RTA)	An RTA has a flexible boundary and, with voter approval can levy a sales tax or vehicle registration fee. Different sales tax levels can exist in different jurisdictions within the RSA.
Mass Transit Authority	Can only be established at a County level. With voter approval can levy up to one-cent sales tax.
State Governance	CDOT has authority to operate services statewide. While legislation addresses operating funds through FASTER, the Attorney General at present finds it can only be used for capital projects.

MOVING FORWARD

There is a need for a significant amount of discussion at the regional level, the State level, and between regional representatives and CDOT about the roles and responsibilities of each entity in both the funding and governance of regional transit services for the North Front Range region.

At the regional level, this plan will result in a key activity: establishing a regional transit network plan for the region. The service alternatives in this plan provide options ranging from just maintaining existing services (including the US 287 service) to aggressive alternatives providing high levels of transit services on State highways. The High service alternative is similar to the plan adopted in the North I-25 EIS.

At the state level, CDOT will need to address the questions of their role in funding and or operating regional services. These questions need to be considered in light of statewide responsibilities, including the entire I-25 corridor and the I-70 corridor. Funding, bus operations, and rail operations need to be considered.

This plan illustrates how the definition of the roles and responsibilities of local and state partners will impact the financing levels and choices that each party will want to consider.

It is recommended that the North Front Range region:

- Engage member agencies in addressing regional transit issues and developing policy responses.
- Formally pose questions to CDOT to initiate discussions regarding the roles, responsibilities, and funding of regional transit services in the North Front Range.
- Participate in statewide efforts to address these questions.

It is often easiest to understand and address issues in the context of current services. The US 287 service provides an excellent opportunity for jurisdictions in the region to identify how to maintain this service once CMAQ funding is exhausted. This is the first successful regional transit service and there is value in nurturing it so that it becomes part of the base transportation network in the region. It is recommended that the region begin working now to determine how to provide stable funding for this in 2013 and beyond.