



2050 TPP Finance Approach

TPP Technical Work Group



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Federal Fiscal Constraint Requirement



Federally required to include a financial plan that demonstrates how the adopted transportation plan can be implemented, including:

- System-level estimates of available revenues and planned expenditures to adequately operate and maintain the regional transit and highway (principal and minor arterials) systems
- Estimates of funds that will be available to implement the plan, typically for major projects or project types (i.e., transitway expansion or highway safety projects)
- Revenue and cost estimates must be in year of expenditure dollars (i.e., revenues and expenditures are inflated)
- May reflect expenditure ranges/bands beyond the first 10 years (i.e., revenues allocated to categories of project types)
- In 2040 TPP, referred to as the Current Revenue Scenario

Federally allowed, but not required, to show additional projects that would be included in the adopted plan if additional funding were made available

- Current plan assumed new revenue sources could occur
- Identified and modeled projects that could be implemented
- These projects were NOT adopted (i.e., required a TPP amendment)
- In 2040 plan, shown as the Increased Revenue Scenario

2040 TPP Revenue Scenarios



Current Revenue Scenario:

- Assumed only revenue from sources already available or reasonably expected (e.g., future New Starts projects)
- Based on current laws, allocation formulas
- Competitive funding programs based on history/experience
- Previous major Transportation funding bill was in 2008

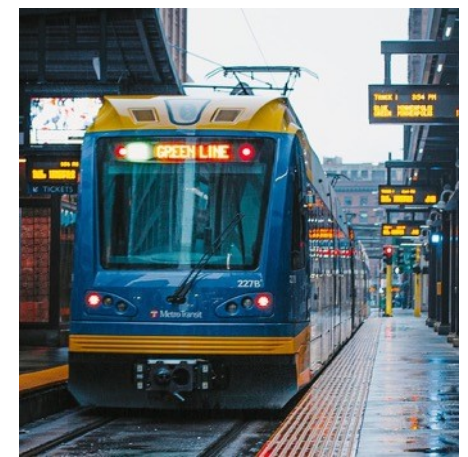
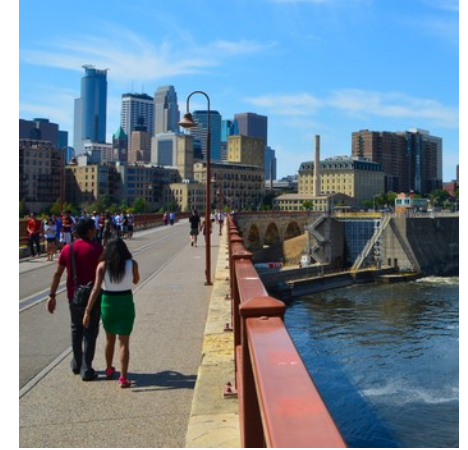
Major message in 2040 TPP was that new revenues were required to accomplish the plan's goals

Increased Revenue Scenario:

- Assumed revenues the region might reasonably expect through policy and law changes to increase revenue sources
- Projects in this scenario are illustrative and represent priorities for new revenue
- 2040 Plan did not identify specific new sources, but Increased Revenue Scenario represented a reasonable/achievable increase

Recent Revenue Changes

- Major federal funding increases as part of Infrastructure Investment and Jobs Act (IIJA) realized in 2021:
 - Formula funding increases for highways, transit, MPO funds
 - Many new competitive programs established also covering new goals/project types (i.e., climate focus, resilience, reconnecting communities, electrification)
- 2023 State Transportation legislation provided historic funding increases:
 - New regional sales tax for transit, active transportation and county transportation
 - Indexed/increased gas tax and increased vehicle registration tax (to highway user fund)
 - Sales tax on auto parts (to highway user fund and Transportation Advancement Account)
 - Delivery fee (to Transportation Advancement Account)



2050 Financial Outlook



- Recent funding increases at state and federal level make it not reasonable to assume new revenue sources will occur
- Inflationary increases in all sources will be determined/assumed
- Assume new formula programs will continue (PROTECT, Carbon Reduction, Bridge)
- State and federal competitive programs continue
- Still are many unknowns on how some of the new revenues will be used, allocated among eligible purposes

2050 Proposed Financial Approach

- Current Revenue Scenario reference becomes “Adopted Fiscal Plan” or just “the Plan”
 - Fiscal plan includes funding levels and allocations of revenues to categories of spending, e.g., State highway mobility, highway safety, transit operations, transitway expansion, active transportation etc....
 - Selected and funded major investments/projects will be identified and adopted
 - The identified investments will be modeled and performance metrics and outcomes discussed
- Increased Revenue Scenario is eliminated
 - Categories of spending with associated levels of unallocated funding will be identified
 - Potential major projects under development that could use/compete for the unallocated funding will be listed/identified
 - Potential projects will not be modeled or included in performance metrics of the plan
 - Projects later selected for funding will be amended into the plan and performance metrics developed as part of the amendment



Discussion



Comments and questions on
proposed approach?



Thank You

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