

TPB Financial Planning and the Visualize 2045 (2022) Financial Analysis

§ 450.324 Development and content of the metropolitan transportation plan, (f) (11)

TPB Process

The TPB conducted a financial analysis in support of the Visualize 2045 (2022) long-range metropolitan transportation plan (LRTP). The results of this analysis are included in [Chapter 7: Funding the Transportation System](#) and a financial plan constitutes [Appendix A](#) of the Visualize 2045 plan. The analysis found that the costs of new projects as well as maintenance and operating costs for the region's highways and transit systems are balanced by reasonably expected revenues, and therefore that financial constraint is demonstrated for Visualize 2045.

In developing the Visualize 2045 financial plan, TPB staff worked closely with the State DOTs, with WMATA, and with local jurisdictions and transit agencies to analyze projected revenues and costs for the region's transportation system through 2045. High-level or summary revenue and expenditure inputs for the financial analysis of the Visualize 2045 long-range plan were initially collected from the state DOTs and WMATA, followed by subsequent inputs from independent agencies and jurisdictions. As part of the financial analysis, at the same time agencies were validating the costs of all projects and programs in the LRTP project database, which provided a bottom-up total of forecast expenditures. TPB staff then conducted an initial revenue and expenditure reconciliation of revenues with top-down and bottom-up expenditures by each agency in advance of the Technical Inputs Solicitation.

Following the Technical Inputs Solicitation, TPB staff updated financial forecasts with the new or revised project cost inputs, which captured capital costs for expansion and state of good repair as well as the projected costs of ongoing programs through 2045. Additional operations cost projections were forecast based on historical expenditures, including for local transit services. Inputs were reviewed for reasonability and availability of funding sources (e.g., federal transit Capital Investment Grants Program funding).

The financial analysis process is used to complete a financial plan that documents financial constraint and meets the requirements for metropolitan transportation plans in accordance with the federal planning regulations.

What is New?

- The move to more competitive funding allocation (e.g., federal grants, Virginia Smart Scale process) adds variability to project funding and overall modal split. Forecast allocations are based on trends to date, which will change in the future.
- The Project InfoTrak database application includes financial constraint modules which allow projected revenues to be run against the calculated total cost of all projects and programs included in each plan or TIP cycle.

Products/Studies/Projects

- As part of the planned 2024 update of the LRTP – Visualize 2050 – a new financial plan will be prepared. The new federal surface transportation funds (IIJA/BIL) will provide additional federal funding in the future.
- The 2021 revenue and expenditure forecasts were largely based on pre-pandemic trends. The Visualize 2050 round of forecasts will have to undergo revisions to take into account changes in transportation activity and finances due to the pandemic.