



## MEMORANDUM

**TO:** TPB Technical Committee  
**FROM:** Eric Randall, TPB Transportation Engineer  
**SUBJECT:** Visualize 2045 Financial Analysis – Preliminary Overview  
**DATE:** May 28, 2021

---

This memorandum provides additional information on the financial analysis being conducted for the Visualize 2045 (2022) long range transportation plan.

### FEDERAL REQUIREMENT

Since 1991, fiscal constraint has been a key component of the statewide and metropolitan transportation planning processes required by federal surface transportation regulations. Fiscal constraint means that a Metropolitan Transportation Plan (MTP), Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP) include sufficient financial information to demonstrate that the projects in the MTP, TIP, and STIP can be implemented using committed, available, or reasonably available Federal, State, local, and private revenues, with the assurance that the federally supported transportation system is being adequately operated and maintained. Requirements for the financial plan complement of metropolitan long-range transportation plans are found in the joint planning document: *Statewide and Nonmetropolitan Transportation Planning; Metropolitan Transportation Planning; Final Rule* (May 2016). There is much additional federal guidance that has been provided over time as well, see: [Federal Highway Policy & Guidance Center > Planning > Fiscal Constraint and Financial Planning](#)

In addition, EPA's conformity regulations require that metropolitan transportation plans and TIPs must be fiscally constrained in order to be found in conformity.

### VISUALIZE 2045 (2018) FINANCIAL PLAN

Consistent with federal planning requirements the TPB conducts a “major” update of the long range plan every four years. Visualize 2045 (2018) is the most recent long-range transportation plan for the National Capital Region and it included a financial analysis of the plan and program.

The 2018 financial plan demonstrated that the regional long-range plan, covering the period from 2019 through 2045, was financially constrained, with forecast revenues and expenditures equivalent at \$291 billion. The plan was fiscally realistic, balancing all proposed new project investments and system maintenance and operating costs with reasonable revenue expectations. The plan demonstrated that the forecast revenues reasonably expected to be available covered the estimated costs of expanding and adequately maintaining and operating the highway and transit system in the region.

The financial plan for Visualize 2045 (2018) is available on the plan website, as Appendix A. [Visualize 2045 \(2018\): A Long-Range Transportation Plan for the National Capital Region](#)

## **VISUALIZE 2045 (2022) FINANCIAL ANALYSIS METHODOLOGY**

The Visualize 2045 (2022) analysis is using the framework of previous analyses. The 2022 financial analysis covers the period 2023 to 2045. For the near-term years, agencies use revenue and expenditure budgets from Capital Improvement Programs (CIPs), the approved TIP and other approved budget documents to make financial projections. For long-term years, revenues are estimated from extrapolation of past trends as well as assumptions about future increases (beyond current legislation and appropriations) while expenditures are developed from project costs in the Project InfoTrack database as well as extrapolated costs for maintenance and operations. Estimated inflation and growth rates are applied to convert estimates of revenues and expenditures to year of expenditure (YOE) dollars.

Work on the Visualize 2045 financial analysis began in 2020 with inputs provided by the three State DOTs and WMATA, followed by collection of inputs from local jurisdictions and agencies in early 2021. At the same time, projects submitted and reviewed as part of the regional project technical inputs solicitation were reviewed. Projected revenues, overall expenditures, and individual project costs are being reconciled to demonstrate that financial constraint is achieved.

### **NEXT STEPS**

The financial analysis will be refined over the remainder of this year. A draft of the financial plan (Appendix A of the Visualize 2045 document) will be prepared. The financial plan will be reviewed in tandem with other elements of the long-range plan. It is anticipated that the current draft numbers will be updated. In addition, further analysis will be conducted, including an assessment of funding for the TPB's adopted Aspirational Initiatives and a categorization of expenditures against the performance areas of the federal-required performance based planning and programming (PBPP) process (e.g., expenditures on highway safety, pavement condition, transit asset condition, etc.).

In addition to the Visualize 2045 long range plan, financial information will be also included in the 2023-2026 Transportation Improvement Program (TIP) documentation as required.