

VISUALIZE 2050 FINANCIAL ANALYSIS UPDATE

Initial Results

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Outline

- Federal Requirement
- TPB Process
- Visualize 2050 Financial Analysis Timeline
- Comments on the Visualize 2050 Initial Analysis
- Revenues and Expenditures: Visualize 2045 (2022) vs. Visualize 2050 analysis initial results
- Next Steps



Federal Requirement

Federal planning regulations (§450.324(f)(11)) require:

- A financial plan that demonstrates how the adopted transportation plan can be implemented
- The forecast revenues which are reasonably expected to be available must cover the estimated costs of adequately maintaining and operating and of expanding the highway and transit system in the region
- All revenue and cost estimates are in year of expenditure (YOE) dollars

Federal Certification Recommendation (June 2, 2023)

- *As part of the Visualize 2050 financial plan update process, the TPB should reevaluate financial assumptions in the financial plan, including inflation rate as a result of the current economic climate. TPB should also evaluate revenue estimates from BIL funding levels reasonably available to support transportation planning.*



TPB Process

TPB uses a two-pronged approach for the financial analysis:

- High-level “top-down” projections of revenue and expenditures (by mode and type) are requested from the funding agencies.
 - Includes an independent analysis of long-term projections for transit services.
- “Bottom-up” review of project costs from the Project Info Track (PIT) database.
 - A review of each project cost takes place in tandem with the Technical Inputs Solicitation and submission of all projects to the PIT database.
 - The compiled project costs in the PIT database are reconciled with the high-level projections, by agency, mode and type.



Visualize 2050 Financial Analysis Timeline

The Visualize 2050 financial analysis covers years 2026 through 2050 and will incorporate the zero-based budgeting direction of the board as expressed in Resolution R19-2021

- Initial Work Plan approved July 2022
- High-level “top-down” projections of revenue and expenditures submitted:
 - December 2022 – State DOTs
 - April 2023 – Local Jurisdictions and Agencies
- Initial analysis completed to inform agency capacity to fund projects, prior to the submission of project inputs (December 29, 2023)
- “Bottom-up” review of project costs will take place January & February 2024, following the submission of project inputs



Comments on the Initial Visualize 2050 Analysis

Analysis **NOT** yet reconciled with project inputs, which are due December 29, 2023.

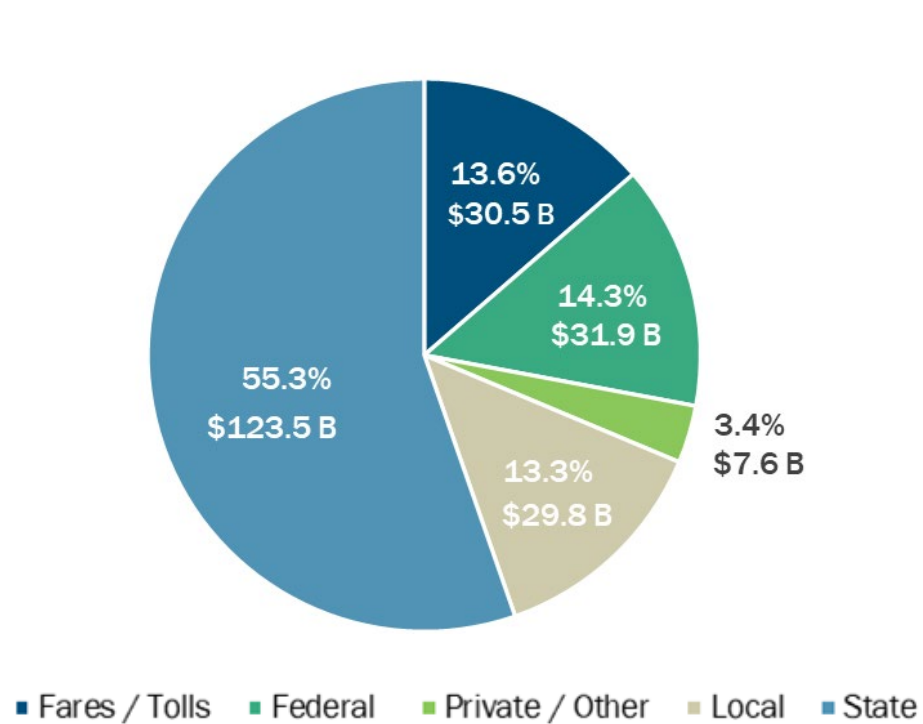
- Modal expenditures are approximate based on type of funds.
 - Project inputs are needed to complete allocation of these funds.
- Capital cost allocations between SGR and expansion are based on past trends.
 - But expectation that funds will shift to cover increased SGR costs.
- Funding agencies are likely to make high-level adjustments as project inputs are submitted.

Compared to Visualize 2045 (2022) > an additional \$136 Billion YOE.

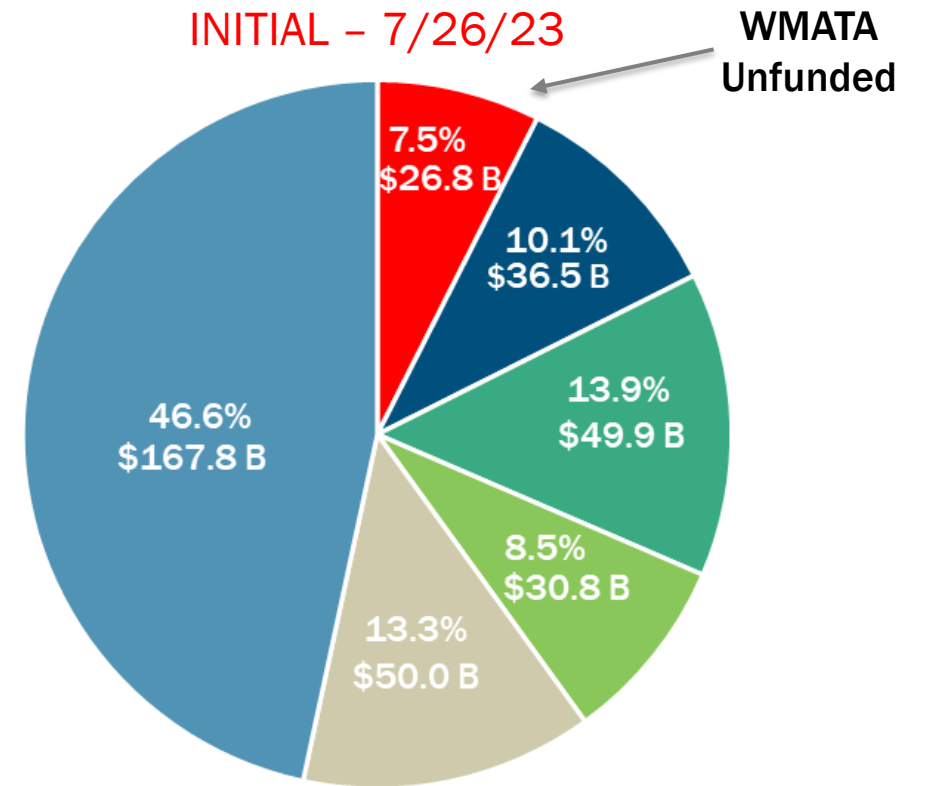
- ~\$60B (44%) due to time period and YOE effects (inflation plus real growth).
- ~\$76B (56%) due to increases in revenues, including additional federal funds available (~\$18B) as well as state and local.
- TPB staff analysis estimates that WMATA has a funding gap of ~\$27B through 2050.

Visualize 2045 (2022) vs 2050 – Regional Revenues

(2026-2050; Billions, in Year of Expenditure)



Total (2023-2045) = \$223.3 Billion

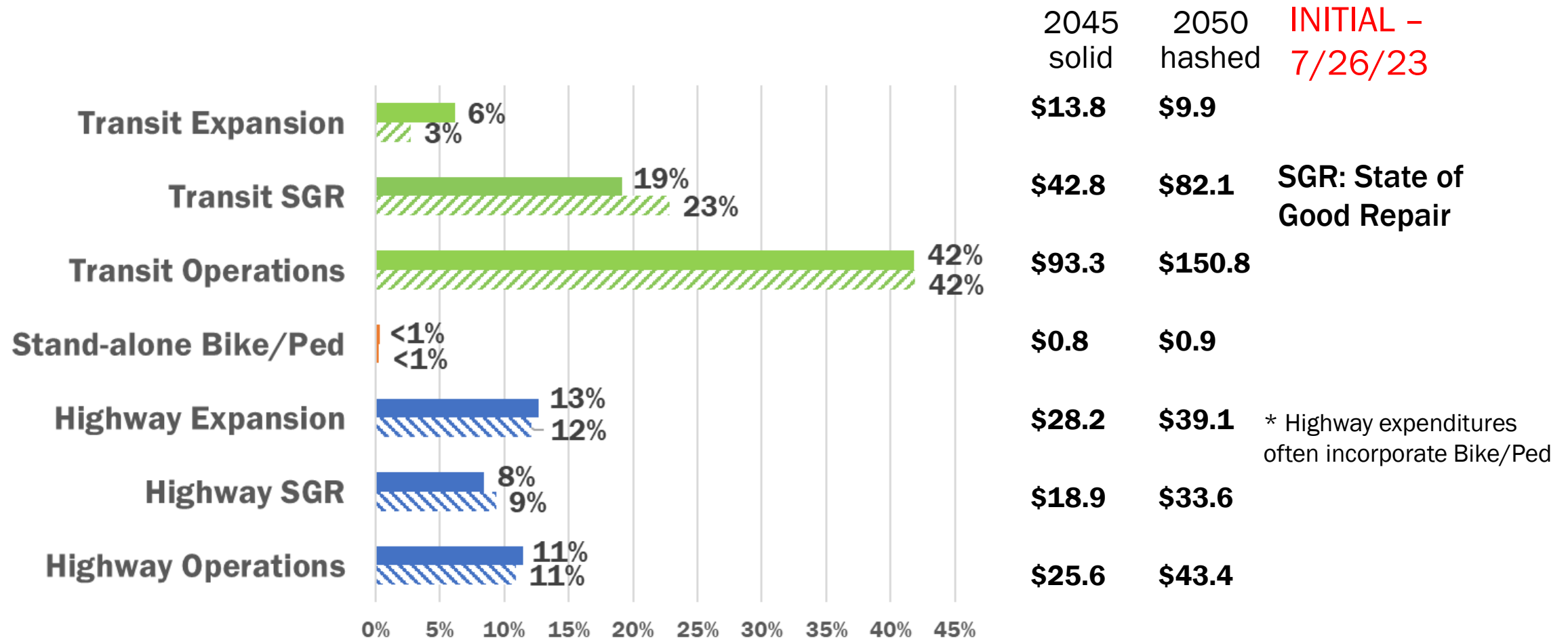


Total (2026-2050) = \$359.7 Billion



Visualize 2045 (2022) vs 2050 – Regional Expenditures

(2026-2050; Billions, in Year of Expenditure)



Financial Analysis Next Steps

- Monitor technical inputs to the PIT, review financial data, and coordinate with agencies as needed
- Refine initial analysis results – and incorporate any revised high-level inputs – through December 2023
- Review project costs as they are submitted by sponsor agencies – now through January 2024
- Analyze all project costs and reconcile with high-level revenues and expenditures – January & February 2024
- Preliminary Financial Analysis results presentation:
 - March 1: The TPB Technical Committee will review the draft financial analysis
 - March 20: TPB will receive a briefing on the draft inputs to the plan/AQC analysis and the draft AQC scope of work and the draft financial analysis



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