



MEMORANDUM

TO: TPB Technical Committee
FROM: Eric Randall, TPB Transportation Engineer
SUBJECT: Work Plan for the Visualize 2050 Financial Analysis
DATE: January 6, 2022

This memorandum provides the work plan and schedule for conducting the financial analysis of the 2024 update to the TPB's Long-Range Transportation Plan (LRTP) called Visualize 2050. The Visualize 2050 financial plan will cover years 2025 through 2050 (twenty-six years). It will build on work done for the 2022 update of Visualize 2045, with five additional "out" years.

The financial analysis work plan has two components. First, high-level "top-down" projections of revenue and expenditures (by type) are needed from the funding agencies. Second, a "bottom-up" review of project costs in the Project Info Track (PIT) database will need to be conducted to reconcile project costs with the high-level projections. This project cost review will take place in tandem with the Technical Inputs Solicitation and submission of all projects to the Project Info Track (PIT) database which will occur in Spring 2023. Other financial analysis work includes a compilation of costs for transit services.

Respondents

- State DOTs: DDOT, MDOT, VDOT
- Major Transit Agencies: WMATA, PRTC, VRE, MTA, DRPT
- Jurisdictions: Counties and Cities
- Other: NVTA, NVTC, MDTA

Schedule

Phase 1a (October – December 2022) – High-Level Revenue and Expenditure Projections

- DOTs and WMATA provide long-term (through 2050) financial projections.
 - Discuss and coordinate on long-term inflation factors
 - Congressional Budget Office (CBO) 2022 Forecast is for **2.3%** Consumer Price Index - Urban Consumers (CPI-U) inflation rate for 2031 through 2052.¹
 - Projections of revenues: Federal (programmatic and discretionary grant projections), state fuel tax revenues, tolls/fares, sales taxes, and other source projections.
 - Projections of expenditures, by mode and by category:
 - a) Operations and Maintenance
 - b) Capital – State of Good Repair
 - c) Capital – Expansion, and
 - WMATA projections for long-term operating and capital costs.

¹ Supplement to CBO's July 2022 report *The 2022 Long-Term Budget Outlook* www.cbo.gov/publication/57971

DOTs/WMATA Deliverable(s): Due December 2, 2022.

- Revenues and expenditures projected for 2025-2050 for all participants, by category:

Phase 1b (January – March 2023) – Local Jurisdictions and Agencies High-Level Projections

- Repeat high-level revenue and expenditure forecast process with local jurisdictions and other agencies for 2025-2050. (NB. Requires state DOT and WMATA inputs from above.)
- Jurisdiction expenditures – local roadway and locally operated transit systems.
 - MD: Charles, Frederick, Montgomery, Prince George’s Counties
 - VA: City of Alexandria; Arlington, Fairfax, Loudoun, Prince William Counties
 - DRPT, MDTA, NVTC, PRTC, VRE

Local Jurisdictions/Agency Deliverable(s): Due March 31, 2023.

- Revenues and expenditures projected for 2025-2050 for all participants, by category.

Phase 2 (March – June 2023) – PIT Database Project Cost Review

- Review of Project Info Track project costs (TIP and LRTP) submitted in response to the Technical Inputs Solicitation to validate planned expenditures.
 - Validate cost of all projects in PIT
 - Categorization of expenditures, by mode and by category
 - a. Operating and maintenance
 - b. Capital – State of Good Repair
 - c. Capital – Expansion

All Funding Agencies Deliverable(s): Complete by July 1, 2023.

- Newly inputted project costs in PIT.

Phase 3 (July – September 2023) – Reconciliation and Preliminary Analysis Results

- TPB staff work with all agencies to reconcile revenues and expenditures.
- Presentation to TPB as part of 2024 LRTP Update Project Inputs review (**September 2023**)

TPB Deliverable(s): Preliminary Draft Financial Analysis by August 31.

- Preliminary Regional Revenues projected for 2025-2050 for all participants, by mode and category:
 - Federal, State, Local, Fares, Tolls, Private/ Other
- Preliminary Regional Expenditures projected for 2025-2050 for all participants, by mode and category:
 - a) Operating and maintenance
 - b) Capital – State of Good Repair
 - c) Capital – Expansion

Deliverable(s):

- Draft Preliminary Tables to Participants by August 1.
- TPB / Tech Presentations in September (9/8, 9/20).

Phase 4 (October 2023 – September 2024) – Final Revisions, Report Production

- Incorporate revisions by member agencies.
- Prepare a draft and final Financial Plan report (Appendix A) for the 2024 Update of TPB’s LRTP.

Deliverable(s):

- Draft Report by June 2024.
- Final Report by September 2024.