

FINANCIAL PROJECTIONS AND ANALYSIS

Federal transportation planning regulations require the long-range transportation plan include a financial plan that shows consistency of the proposed transportation investments with available and projected funds on a year of expenditure basis, also known as fiscal constraint. This financial planning constrains the project list to reasonably available revenue and provides assurance that the federally supported transportation system is being adequately operated and maintained.

Specifically, the plan must outline the revenue amount expected from each funding program or source over the 25-year life of the plan and align projects and estimated project costs with expected program funds to demonstrate that projects can be implemented over the period of the plan using committed, available, or reasonably available revenue sources. This program of projects will then be implemented if the project development process requirements are satisfied and the financial resources assumed in the transportation plan are in place.

Transportation needs may exceed the projected funds. In this case, additional projects can be shown as an illustrative list of additional transportation needs, to document the demand for additional funds.

FINANCIAL GUIDANCE ON REVENUE PROJECTIONS

Statewide transportation planning and metropolitan transportation planning regulations require that revenue for the Transportation Improvement Program and Long-Range Transportation Plan account for revenue growth and inflation. PennDOT provides financial guidance to assist its planning partners in preparing transportation revenue and cost projections. The guidance prescribes inflation factors for projecting transportation costs, but recommends that revenue estimates should remain flat (no growth) over the life span of the long-range transportation plan.

Revenue was projected to the year 2045 using baseline funding provided in the Metropolitan Planning Organization's Federal Fiscal Year (FFY) 2021-2024 Transportation Improvement Program (TIP) and 2021-2032 Twelve Year Program (TYP) drafts, and estimated inflation rate factors consistent with the financial guidance, as well as historic revenue trends and financial assumptions developed by evaluating prior year's federal, state and local expenditures. Revenue for years 2033 through 2045 was estimated at a flat rate based on the 2032 amount.

HIGHWAY AND BRIDGE REVENUE PROJECTIONS

Highway revenue projections were developed based on the most recent federal and state legislation. At the time of preparation, Fixing America's Surface Transportation (FAST) Act was the most recent federal authorizing legislation, and Congress had not taken action on a new bill beyond Federal Fiscal Year 2020. The FAST Act authorizes federal highway, safety, transit, and rail programs over five years from federal fiscal years (FY) 2016 through 2020, was authorized in December 2015 and will dictate project eligibility

for federal funds through September, 2020. At the time of preparation, Congress was considering extension of the FAST Act. At the state level, Act 89 of 2013 has provided an increase in state transportation funding, though a portion is allocated to the state police.

The highway capital revenue baseline was developed using Pennsylvania’s 2021 Transportation Program Update Financial Guidance as a base for the years 2021–2032. Revenues were projected to 2045 using a flat rate based on the 2032 amount. The following summarizes the revenue estimation process:

1. Short-term (2021-2024) revenue figures were taken directly from PennDOT financial guidance for the 2019 and 2021 transportation program updates.
2. Mid-term (2025-2032) revenue figures were taken from PennDOT financial guidance for the 2021-2032 Twelve Year Program:
3. Long-term (2033-2045) revenue figures were projected based on PennDOT and FHWA recommendations as follows:
 - Federal highway/bridge funds – no annual growth
 - State highway/bridge funds – no annual growth
4. Discretionary funding can include special federal funds or state discretionary funds. State discretionary dollars represent 20 percent of highway funding, which is reserved for distribution by the Secretary of Transportation to offset the impact of high-cost projects that are beyond a region’s allocation. For this plan, no discretionary funding was assumed beyond what was allocated in the 2021 TYP update at the time of publication.

PUBLIC TRANSIT REVENUE PROJECTIONS

The transit revenue baseline was developed using Pennsylvania’s 2020 Transportation Financial Guidance as a base for the years 2021–2024. Federal transit funds coming to the County are generally Section 5307, urbanized apportionments, which come through PennDOT. The program was developed for the Transportation Improvement Program years, 2021–2024. Historic funding amounts were used as a basis to predict future transit funding for years 2025 through 2045.

LOCAL REVENUE PROJECTIONS

Local and private project funding shares are difficult to project. Typically, local transportation projects using federal and state funding are required to provide a portion on the project costs which can range from 5 percent to 20 percent. Local funds were estimated based on 2021-2032 TYP amounts. A yearly average, with no growth factor was used to project future local funding for years 2033 through 2045.

The resulting revenue summary (Table 8-1) represents the total projected revenue in thousands of dollars by period and serves as the financial constraint for highway/ bridge, transit and local projects funding the Twelve-Year Program periods plus the long-term or “out years” of the long-range transportation plan.

Table 8-1: Cambria County MPO Revenue Projections to 2045 (in thousands)

Fund Type	Short Term 2021-2024	Mid Term 2025-2032	Long Term 2033-2045	Totals
Estimated Federal Funds	\$ 45,104	\$ 61,491	\$ 94,965	\$ 201,560
Estimated State Funds	\$ 28,024	\$ 67,315	\$ 109,369	\$ 204,708
Estimated Local Funds	\$ 38	\$ 299	\$ 364	\$ 701
Estimated Transit Funds	\$ 26,065	\$ 34,844	\$ 72,462	\$ 133,371
Estimated Total Funds	\$ 99,231	\$ 163,949	\$ 277,160	\$ 540,340

Table 8-2 provides a breakdown of the revenue projections for the short-, mid- and long-range transportation plan periods through 2045.

Table 8-2: Cambria County MPO Funding Projections for Highway, Bridge and Transit Programs Through 2045 (\$,000)

FY	FEDERAL					Other Federal	State Highway	LOCAL	TRANSIT		Total	
	N-PP Discretionary	STP	Bridge-Of-System	F-BP	OVAQ				Federal	State		Local
2021	4,857	-	1,753	632	963	-	3,252	-	8,916	2,157	72	26,394
2022	4,293	6,000	1,746	632	963	506	3,513	-	3,830	927	711	26,912
2023	4,627	-	2,444	1,065	963	-	4,052	38	2,937	711	24	22,035
2024	3,916	-	2,428	1,065	963	-	4,564	-	4,624	1,119	37	23,830
Subtotal	\$ 17,693	\$ 6,000	\$ 8,371	\$ 3,394	\$ 3,852	\$ 506	\$ 15,381	\$ 38	\$ 20,307	\$ 4,914	\$ 844	\$ 99,231
2025	3,230	-	2,428	1,065	963	-	4,564	9	3,104	751	25	21,313
2026	2,544	-	2,428	1,065	963	-	4,564	5	1,972	477	16	19,208
2027	1,838	-	2,428	1,065	963	-	4,564	131	2,080	503	17	18,782
2028	1,527	-	2,428	1,065	963	-	4,563	-	3,467	839	28	20,063
2029	1,527	-	2,428	1,065	963	-	4,563	154	3,291	796	27	19,967
2030	1,527	-	2,428	1,065	963	-	4,563	-	2,877	696	23	19,315
2031	1,527	-	2,428	1,065	963	-	4,563	-	8,107	1,561	65	25,851
2032	1,527	-	2,428	1,065	963	-	4,563	-	2,978	720	24	19,440
Subtotal	\$ 15,267	\$ -	\$ 19,494	\$ 8,520	\$ 7,704	\$ -	\$ 36,507	\$ 299	\$ 27,976	\$ 6,743	\$ 225	\$ 163,949
2033	1,527	-	2,428	1,065	963	-	4,563	28	2,483	601	20	18,830
2034	1,527	-	2,428	1,065	963	-	4,563	28	4,912	1,188	40	21,886
2035	1,527	-	2,428	1,065	963	-	4,563	28	2,612	632	21	19,011
2036	1,527	-	2,428	1,065	963	-	4,563	28	3,474	841	28	20,069
2037	1,527	-	2,428	1,065	963	-	4,563	28	5,718	1,383	46	22,833
2038	1,527	-	2,428	1,065	963	-	4,563	28	2,148	520	17	18,431
2039	1,527	-	2,428	1,065	963	-	4,563	28	3,254	787	26	19,813
2040	1,527	-	2,428	1,065	963	-	4,563	28	4,163	1,007	34	20,950
2041	1,527	-	2,428	1,065	963	-	4,563	28	7,167	1,794	58	24,705
2042	1,527	-	2,428	1,065	963	-	4,563	28	3,282	794	26	19,848
2043	1,527	-	2,428	1,065	963	-	4,563	28	9,084	2,128	73	27,031
2044	1,527	-	2,428	1,065	963	-	4,563	28	4,167	1,008	34	20,965
2045	1,527	-	2,428	1,065	963	-	4,563	28	5,573	1,334	45	22,668
Subtotal	\$ 19,851	\$ -	\$ 31,564	\$ 13,846	\$ 12,519	\$ -	\$ 59,319	\$ 364	\$ 58,037	\$ 13,957	\$ 468	\$ 277,160
Total	\$ 52,811	\$ 6,000	\$ 99,369	\$ 25,759	\$ 24,075	\$ 506	\$ 111,207	\$ 701	\$ 105,220	\$ 25,614	\$ 1,537	\$ 540,340

Funding Assumptions
 Short and mid-term federal and state funds for highways and bridges were taken from PennDOT financial guidance for the 2021-2032 Twelve Year Program (TYP).
 Long-term federal and state funds for highway and bridges were estimated at a flat growth rate based on the 2032 amount.
 Long-term local share funds for highway and bridges were estimated by averaging the yearly amounts from the short and mid-term periods.
 Public transit 2026 amounts not provided. Amounts estimated based on average of years 2020-2024.

ESTIMATED PROJECT COSTS

Federal transportation planning regulations also require that projects in the Transportation Improvement Program, Twelve Year Program, and Long-Range Transportation Plan be assigned to the year or years in which the project expenditure is expected to occur. State guidance also addresses Year of Expenditure (YOE) calculations for estimating project costs over the life span of the long-range transportation. Project cost estimates were projected using a 3% annual inflation rate, as indicated in PennDOT's financial guidance, and calculated for the short, mid-range and long-range periods of the LRTP to account for increases in the cost of projects over the 25-year period.

FISCAL CONSTRAINT

The 2021-2045 Long-Range Transportation Plan is fiscally constrained. The estimated cost of the transportation investments proposed to meet the 2045 long-range transportation plan goals and objectives are within the projected revenue for the next 25 years. Based on project cost estimates, the total cost for highway and bridge projects programmed within the 25-year planning horizon is approximately \$407 million, while the total projected revenue for highways and bridges over the same time period is also approximately \$407 million. Funding in the "long term" years of the plan (2033-2045) was placed in various line items to cover anticipated projects for safety, highway, bridge, and congestion mitigation/air quality improvements. The amounts allocated to each of these items were determined using historic trends in spending and project distribution.

More specifically, the Highway and Bridge category is fiscally constrained for all interim plan periods projected in the long range plan period. The Transit category is also fiscally constrained within all plan periods.

Regionally significant projects for which funding currently has not been identified have been classified as "illustrative projects" and are included in this plan as project priorities should additional funding become available. Specific information on the projects identified and their associated costs can be found in Appendix A: 2021-2045 Cambria County LRTP Highway and Bridge Project List and Appendix C: Cambria County Transit Authority LRTP

OTHER FINANCIAL CONSIDERATIONS

The financial analysis relies on current recommended economic factors to estimate future available revenue and project cost estimates. The calculations do not consider any potential unforeseen economic event(s) that may present both a positive or negative impact to the current projection of available revenue, as well as estimates of project needs and associated costs. Accurately predicting the financial integrity of our transportation network over next 25 years is challenging. Some financial subjectivity with regard to the project cost estimates and the projected revenue may be introduced in

Projected transportation funds equal the estimated cost of known projects, thus producing a plan that is fiscally constrained.

the long range plan period. Future need costs are made based on limited engineering detail and include estimated rates of inflation. Also, estimated revenues are based on future federal and state funding sources. These funds depend on future legislative actions, which are difficult to predict. The long-range transportation plan is not intended to be a stand-alone funding program. The plan serves as the basis for determining project priorities among many competing transportation needs and improves the decision-making process for the development of the biannual Transportation Improvement Program.