

## **Financial Guidelines for MPO 2045 Long Range Plans**

### **Background**

The MPOAC adopted financial guidelines in 2008 to guide the update of MPO 2035 Long Range Transportation Plans (LRTPs) and revised those guidelines in 2013 to guide the development of 2040 LRTPs. The purpose of the guidelines was to improve uniformity in the reporting of financial data in MPO LRTPs, to assist MPOs to better define transportation needs, to aid FDOT to prepare long range revenue forecasts for state and federal funds, and to facilitate a statewide estimate of unfunded transportation needs. This document provides guidelines for the next update of LRTPs.

### **Long Range Transportation Plan Needs and Cost Feasible Plan**

#### **Guidelines for Defining and Reporting Needs**

- All MPOs will include a cost estimate of needs in base year dollars in their adopted LRTP. The needs estimate should include all costs (operations, maintenance, capacity expansion, etc.) associated with all modes. Estimated needs should be reported by mode.
- The MPO Needs Plan should include only transportation projects that are necessary to meet identified future transportation demand or advances the goals, objectives and policies of the MPO, the region and the state. Cost should be given significant consideration when choosing among various alternatives (mode or alignment) to meet an identified need. Compelling policy or practical reasons for selecting alternatives that exceed the identified transportation need may include increasing the availability of premium transit options, overwhelming environmental benefit or the need to use compatible technology to expand an existing transportation asset.
- Certain types of projects should not be considered “needed” if they represent projects that are extremely unlikely to be implemented and unnecessarily inflate the estimated transportation needs in the metropolitan area. The cost of such a project should not be included in an MPO Needs Plan. Such projects may include:
  - Projects that cannot be implemented due to policy constraints
  - Projects that cannot be implemented due to physical constraints
  - Projects that are unlikely to be implemented due to potential significant environmental constraints
  - Projects that are unlikely to be implemented due to potential significant environmental justice or civil rights impacts
- All MPOs will include an estimate of unfunded costs in base year dollars in their adopted LRTP.

#### **Guidelines for Financial Reporting for Cost Feasible Long Range Transportation Plans**

- Reasonably available revenue should be reported in year of expenditure dollars.
- An estimate of the cost of all projects and all phases, regardless of mode, should be included in the cost feasible LRTP.
- The costs of operating and maintaining the existing and future transportation system should be clearly stated in the cost feasible plan, in a manner agreed upon by the MPOAC, FDOT and FHWA/FTA.
- MPOs should include full financial information for all years covered by the LRTP, including information from their Transportation Improvement Program (TIP).
- For their next adopted cost feasible LRTP, MPOs will use:
  - FY 2019/2020 as the base year.
  - FY 2044/2045 as the horizon year.
- The recommended Base and Horizon Years are for financial reporting purposes only and do not impact individual MPO selection of alternative Base and Horizon Years for socioeconomic, modeling and other purposes.

### **Long Range Revenue Forecast for Long Range Transportation Plan Updates**

FDOT, in cooperation with the MPOAC and Florida’s MPOs, prepares long range revenue forecasts for state and federal funds that “flow through” the FDOT Work Program and other financial planning guidance. FDOT

will, in cooperation with the MPOAC and Florida's MPOs, develop an updated revenue forecast through 2045 and guidance for the next updates of metropolitan transportation plans and the Florida Transportation Plan (FTP). The following is guidance for developing and reporting financial estimates in those plans.

### **Guidelines for Revenue Estimates**

- The recommended Base Year is FY 2019/2020 (State Fiscal Year) and recommended Horizon Year is FY 2044/2045 for all metropolitan long range transportation plans.
- The recommended Time Period for revenue estimates is 5 years between the Base Year and the year 2035 (2020-2024, 2025, 2026-2030, 2031-2035) and 10 years for the remaining years of the plan (2036-2045). This is essentially consistent with previous forecasts and simplifies reporting. The use of 5- and 10-year periods increases flexibility and reduces the need to “fine tune” project priorities.
- For estimates of State and Federal Revenues:
  - FDOT will provide Year of Expenditure (YOE) estimates for state capacity programs for individual MPOs that correlate to major FDOT fund codes and project eligibility constraints.
  - FDOT will provide system level estimates of the cost of operating and maintaining the State Highway System at MPO level. MPOs should include the material in long range transportation plan documentation.
  - FDOT will work with the MPOAC to develop the detailed assumptions required for these estimates.
- For estimates of local revenues, FDOT will provide guidance for development of estimates of traditional sources.

### **Guidelines for Developing Project Costs**

- Project Cost Estimates are typically expressed in Present Day Cost (PDC) dollars and will have to be adjusted with inflation factors for the time period during which they are planned to be implemented.
- To adjust costs from PDC to Year of Expenditure:
  - FDOT has developed estimates of inflation factors through 2045 that MPOs are encouraged to use. FDOT will provide documentation of the assumptions used to develop those factors.
  - MPOs should document alternative inflation factors, with an explanation of assumptions.
- The recommended Time Period for cost estimates is 5 years between the Base Year and the year 2035 (2020-2024, 2025, 2026-2030, 2031-2035) and 10 years for the remaining years of the plan (2036-2045). Annual inflation factor estimates will be used to estimate “mid-point” factors for project costs during each respective 5- or 10-year period.
- FDOT will provide YOE cost estimates, phasing and project descriptions for projects included in the SIS Cost Feasible Plan to each MPO.

### **Guidelines for Distribution of Next Long Range Revenue Forecast**

- The long range forecast of state and federal revenues will be needed by all MPOs for modeling and financial planning for their next updates. FDOT will provide:
  - The new revenue forecast, including the SIS Cost Feasible Plan, by (May 2018).
  - Revenues available statewide before allocation to SIS and a flow chart showing allocation of funds to SIS and other major programs.