

VIII. THE FINANCIAL PLAN



Photo by: Gerald Berliner

The Financial Plan is a critical element of the UCTC Long Range Transportation Plan. Federal law has required since 1991 that an LRTP must include a Financial Plan whose purpose is to ensure that there are adequate resources for implementation. This ensures that the project included in the LRTP have a reasonable chance of being funded and prevents the LRTP from becoming a wish list of projects beyond likely available funding.

Federal law requires that the Financial Plan meet the following criteria:

- ▶ Be developed cooperatively by the MPO, the State, and the transit operator(s);
- ▶ Demonstrates how the adopted LRTP can be implemented;
- ▶ Enumerates the resources that are reasonably expected to be made available over the life of the LRTP, including both public and private sources;
- ▶ May recommend additional financing strategies to fill identified funding gaps;
- ▶ May include “illustrative projects” that would be included in the LRTP if additional resources became available; and
- ▶ Demonstrates the financial capacity to maintain and operate the transportation facilities included in the LRTP.

Further, all project and program cost estimates must be adjusted to year of expenditure dollars, using agreed upon cost inflation factors. This adjustment further contributes to the LRTP being realistic.

All of these steps lead to the creation of a fiscally constrained Plan that does not count on resources that are not reasonably expected to be available.

The UCTC LRTP has met all of these conditions through the following actions:

REVENUE FORECASTS (TABLE 8.1)

Forecasts are provided by fund source for all current programs of the FHWA and FTA; New York State highway, bridge, and transit programs; and major local capital improvement programs. The initial forecasts for FHWA programs and for New York State Dedicated Highway and Bridge Fund are based on the adopted 2020-2024 UCTC Transportation Improvement Program and confirmed by NYSDOT. NYSDOT provided the forecasts for the Consolidated Local Street and Highway Improvement Program (CHIPS). Ulster County, in the role of transit operator, provided the forecasts for federal, state, and local transit programs.

The agreement that was reached among these parties on the revenue forecasts includes the following:

- ▶ Revenue forecasts are generated for five year blocks. This was determined to be an acceptable level of detail for the LRTP.
- ▶ The baseline for calculating revenue forecasts for all FHWA and State fund sources is the current adopted UCTC Transportation Improvement Program. The baseline for calculating revenue forecasts for FTA programs is the last either three or five years of FTA apportionments, whichever was most consistent.
- ▶ Funding for FHWA programs is based on the most recent UCTC ‘fair share’ allocation and held flat for the first five years (2020-2024). It is then increased by 2% for each of the subsequent blocks.
 - ▶ **Caveat:** While the forecasts are made for current FHWA fund sources, it is understood that these may change over time. MAP-21 made significant changes in FHWA programs, with some programs eliminated and others consolidated. If FHWA programs are changed in the next Federal transportation authorization, prior to the update of the LRTP, the Financial Plan may be amended. Similarly, it is assumed that the Federal share will remain at 80% for most programs.
- ▶ Funding for FTA programs is held flat for the first five years (2020-2024). It is then increased by 2% for each of the subsequent blocks.
 - ▶ **Caveat:** While the forecasts are made for current FTA fund sources, it is understood that these may change over time. MAP-21 made significant changes in FTA programs through program consolidation and such consolidation is likely to continue in the future. If FTA programs are changed in the next Federal transportation authorization, prior to the update of the LRTP, the Financial Plan may be amended.
- ▶ Funding for New York State programs for highway and bridge construction is held flat for the first five years (2020-2024). It is then increased by 2% for each of the subsequent blocks.
 - ▶ The amount of NYS Dedicated Fund is based on 2014 funding and adjusted for inflation.
 - ▶ **Caveat:** The Consolidated Local Street and Highway Improvement Program (CHIPS) provides state funding to local governments for eligible capital projects. It is distributed on a formula basis, and also subject to the annual New York State budget/appropriations process. The forecast assumes it will be funded at current levels and escalated as indicated. The Financial Plan may be amended if the CHIPS budget in subsequent years is significantly different from the forecast.



Rondout area road improvements.

- ▶ New York State Region 8 funds some system preservation activities on a region-wide basis (known as “multi-county” funding). These funding blocks provide for pavement rehabilitation, bridge rehabilitation and replacement, sign and guiderail replacement, traffic signal upgrades, pavement marking activity, and other “where and when” needs. The expenditure represents a significant use of federal funds. Use of this funding within the UCTC’s planning area is not easily documented and therefore no estimate of the availability of these funds is included. The UCTC anticipates that these funds will, however, be made available to maintain the performance standards set in the LRTP.
- ▶ Funding for New York State transit programs is based on prior allocations (2017, 2018, 2019) and held flat for the first five years (2020-2024), then increased by 2% for each of the subsequent blocks.
 - ▶ **Caveat:** The New York State Transit Operating Assistance (NYSTOA) program is a formula based program that provides funding to transit operators to subsidize their operations. Passengers and revenue-miles of service are the key metrics; they are multiplied by formula rates. The numbers of annual passengers and miles are assumed constant for the purposes of projecting revenue. The program is subject to annual appropriation as well as periodic program and funding sources reauthorization by the State Legislature. The Financial Plan may be amended if the NYSTOA budget in subsequent years is significantly different from the forecast.
 - ▶ The New York State Transit Capital Assistance program funds one-half of the non-Federal share of approved FTA capital projects. Funding is contingent on the annual budget/ appropriations process.



Ellenville, NY. Photo Credit: Gerald Berliner

- ▶ Local Funding for highways and bridges. This represents locally funded capital projects by Ulster County to preserve and maintain assets that may or may not be on the Federal Aid Highway System. It is understood that this does not include all local expenditures but does include the majority of those not funded with CHIPS. Because such expenditures are subject to budgetary decisions of local government, there are no assumptions of available funding from these sources. In addition, it should be noted that tax caps are likely to affect the investment in infrastructure at the local level. It also includes the local match for FHWA program expenditures.
 - ▶ **Caveat:** FHWA provides 80% of the funding for approved projects. There is a program in New York State called the Marchiselli program that provides three-quarters of the non-federal share, or 15%, for locally sponsored FHWA projects. This comes from the Dedicated Highway and Bridge Fund. The local sponsor provides the remaining 5%. The amount available for Marchiselli funding is subject to the annual State budget process, and may be inadequate to meet all funding needs in future years.
- ▶ Local Funding for the County transit system is held flat for the first five years (2020-2024). It is then increased by 2% for each of the subsequent blocks. This represents the local match to NYSTOA as well as additional local investments.
- ▶ Discretionary funds, such as those provided through state or federal solicitation and awarded on a competitive basis, are provided at the conclusion of the revenue chart but are not included as projected revenue. Relevant examples include the Transportation Alternatives Program (TAP), the federal program that traditionally funds trail and other non-motorized projects, BridgeNY, which funds local bridge and culvert projects. While eligible applicants in Ulster County have been very successful at competing for these types of funds, they are not consistently made available year to year and their distribution is subject to a variety of factors, including eligibility, annual budgetary constraints, and frequency of issuance.

Figure 8.1: FHWA Revenue Summary

UCTC Long Range Transportation Plan Revenue Forecast, 2020-2044							
All Figures in Millions of \$							
FHWA (Millions of \$)	19/20 Baseline	2020-2024	2025-2029	2030-2034	2035-2039	2040-2044	
National Highway Performance Program (NHPP)	\$3.680	\$18.400	\$18.768	\$19.143	\$19.526	\$19.917	
Surface Transportation Block Grant Program (STBGP FLEX)- Includes STBGP	\$1.899	\$9.495	\$9.685	\$9.879	\$10.076	\$10.278	
STBGP Off-System Bridge (STBGP-OFF)	\$1.177	\$5.886	\$6.004	\$6.124	\$6.246	\$6.371	
STBGP Large Urban (STBGP LG URBAN)	\$0.300	\$1.500	\$1.530	\$1.561	\$1.592	\$1.624	
Highway Safety Improvement Program (HSIP)	\$0.094	\$0.471	\$0.480	\$0.490	\$0.500	\$0.510	
HSIP RAIL	\$0.190	\$0.950	\$0.969	\$0.988	\$1.008	\$1.028	
FHWA Subtotal	\$7.340	\$36.702	\$37.346	\$38.185	\$38.948	\$39.727	\$190.999

Figure 8.2 FTA Programs

FTA Programs (Millions of \$)	19/20 Baseline	2020-2024	2025-2029	2030-2034	2035-2039	2040-2044	
Sec 5307/5340 Small Urban	\$1.015	\$5.075	\$5.176	\$5.280	\$5.385	\$5.493	
Sec 5307 Urban/Mid-Hudson TMA	\$0.560	\$2.802	\$2.858	\$2.915	\$2.973	\$3.033	
Section 5310	\$0.123	\$0.615	\$0.628	\$0.640	\$0.653	\$0.666	
Section 5339 Kingston UA	\$0.345	\$1.724	\$1.758	\$1.793	\$1.829	\$1.866	
Sec 5339 Mid-Hudson TMA	\$0.424	\$2.119	\$2.161	\$2.205	\$2.249	\$2.294	
Inter-County Commuter Bus, Mid Hudson TMA	\$2.608	\$13.041	\$13.301	\$13.568	\$13.839	\$14.116	
FTA Subtotal	\$5.075	\$25.375	\$25.883	\$26.400	\$26.928	\$27.467	\$132.053
Federal Subtotal	\$12.415	\$62.077	\$63.319	\$64.585	\$65.877	\$67.194	\$323.052

Figure 8.3 State Funds

State Funds (Million of \$)	19/20 Baseline	2020-2024	2025-2029	2030-2034	2035-2039	2040-2044	
NYS Dedicated Highway & Bridge Trust Fund	\$2.074	\$10.372	\$10.579	\$10.791	\$11.007	\$11.227	
CHIPS	\$6.914	\$34.569	\$35.261	\$35.966	\$36.685	\$37.419	
State Highway/Bridge Subtotal	\$8.988	\$44.941	\$45.840	\$46.757	\$47.692	\$48.646	\$233.877
Transit State Operating Assistance	\$1.746	\$8.730	\$8.905	\$9.083	\$9.264	\$9.450	
State Transit Subtotal	\$1.746	\$8.730	\$8.905	\$9.083	\$9.264	\$9.450	\$45.431
NYS Funds Subtotal	\$10.73	\$53.671	\$54.745	\$55.840	\$56.957	\$58.096	\$279.308
State and Federal Subtotal \$617.360							

Figure 8.4 Local Matching Funds

Local Matching Funds	19/20 Baseline	2020-2024	2025-2029	2030-2034	2035-2039	2040-2044	
Match to FHWA	\$0.139	\$0.695	\$0.709	\$0.723	\$0.738	\$0.752	\$3.617
Match to FTA	\$0.768	\$3.842	\$3.918	\$3.997	\$4.077	\$4.158	\$19.992
Local Share Subtotal	\$0.907	\$4.537	\$4.627	\$4.720	\$4.814	\$4.911	\$23.609
Est. Total Aid Over Life of the Plan: \$640.969							

8.5 Other Supplemental or Competitive Funds

Other Supplemental or Competitive Funds	19/20 Baseline	2020-2024	2025-2029	2030-2034	2035-2039	2040-2044	
Extreme Winter Recovery Program	\$0.402	\$0.410	\$0.418	\$0.426	\$0.435	\$0.444	
PAVENY	\$1.578	\$1.610	\$1.642	\$1.675	\$1.708	\$1.742	
Modernization and Enhancement Program	\$0.434	\$2.168	\$2.212	\$2.256	\$2.301	\$2.347	
Accelerated Capital Transit Program	\$0.143	\$0.714	\$0.728	\$0.743	\$0.758	\$0.773	
Tap/Rec Trails	\$1.358	\$6.791	\$6.927	\$7.065	\$7.207	\$7.351	
	\$3.915	\$11.693	\$11.927	\$12.165	\$12.408	\$12.657	\$60.850

DATA NOTES:

The baseline funding amount is established and then projected over the life of the plan. **For each revenue line item, the baseline funding value was estimated using the following methods:**

- ▶ FHWA revenue estimates based on the 2020-2024 UCTC TIP, divided by 5.
- ▶ FTA revenue estimates based on the average of previous 3 year federal allocations (2017, 2018, 2019).
- ▶ NYS Dedicated Highway and Bridge Trust fund based on SFY 2014/15 and adjusted for inflation to 2020 dollars.
- ▶ CHIPS, Extreme Winter Recover and PaveNY funds based on payments to all Ulster County municipalities in SFY 19/20.
- ▶ Transit State Operating Assistance based on average of 2015, 2016, 2017, 2018 and 2019 awards.
- ▶ Local Federal FHWA share based on 5% match of UCTC 2020-2024 Federal fair share of STP Block Grant funds.

- ▶ Local Federal FTA share based on 10% of required match of FTA funds allocated to public transit providers and 20% required match of FTA funds allocated to private transit providers.
- ▶ TAP/Rec Trails based on the average of all awards to Ulster County recipients that have been included on an approved TIP during the TIP years 2015-2024.
- ▶ MEP and ACT transit funds based on 2015, 2016, & 2017 awards.

COST FORECASTS

With the revenue projections completed, the Financial Plan can now estimate the dollar amount of projects and programs that can be programmed within the context of fiscal constraint. Project costs are matched to revenue forecasts by fund source and five-year time blocks. Since the first six years includes projects already programmed in the Transportation Improvement Program, cost estimates have a reasonably high level of accuracy. Projects further out in the LRTP are defined by a planning level design concept and scope. With each successive update of the LRTP, projects will move into the first time block with more refined estimates.