



MOVING OUR FUTURE FORWARD 2045

BINGHAMTON METROPOLITAN TRANSPORTATION STUDY

LONG RANGE TRANSPORTATION PLAN

FINANCIAL PLAN

Federal law requires that the long-range transportation plan include a financial plan. This plan addresses both the revenue and expenditure elements of the LRTP. It establishes the foundation for fiscal constraint, a key concept that states that the estimated cost of all of the projects and programs in the LRTP may not exceed the reasonably expected forecast of revenues available to implement the plan (see box). The result is that the plan is a realistic assessment of how goals and objectives can best be met.

The revenue estimates are developed cooperatively by BMTS, NYSDOT, and Broome County as the public transportation operator. A related requirement is that these revenues must not only support construction and related activities, but also the estimated cost of ongoing operation and maintenance of the that portion of the regional transportation system that is eligible for Federal aid. This elevates the status of asset management and efficient operations while ensuring that the regional transportation is not overbuilt.

A final financial requirement related to programmed expenditures is that project cost estimates be calculated in year-of-expenditure (YOE) dollars. This means that costs must be adjusted for inflation. Like revenue, the partners in the MPO process must agree on these forecasts.

Taken together, the financial requirements result in a plan that is realistic. It should result in setting priorities that continuously achieve progress on the performance of the system across all dimensions.

(f) The metropolitan transportation plan shall at a minimum include...

(11) A financial plan that demonstrates how the adopted transportation plan can be implemented.

(i) For purposes of transportation system operations and maintenance, the financial plan shall contain system-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain the Federal-aid highways as defined by 23 U.S.C. 101(a)(5)) and public transportation (as defined by title 49 U.S.C. Chapter 53).

(ii) For the purpose of developing the metropolitan transportation plan, the MPO(s), public transportation operator(s), and State shall cooperatively develop estimates of funds that will be available to support metropolitan transportation plan implementation, as required under § 450.314(a). All necessary financial resources from public and private sources that are reasonably expected to be made available to carry out the transportation plan shall be identified.

23 CFR 450.324(f)

METHODOLOGY: REVENUE

The revenue estimates begin with the current BMTS 2021-2024 Transportation Improvement Program as a baseline because these figures are known and encompass all the non-discretionary Federal and State fund sources. While the LRTP may include funding from transportation challenge grants and public-private partnerships, these formula-based programs are the core revenue sources.

- Federal Highway Administration
 - National Highway Performance Program (NHPP). Funds projects on the National Highway System. Projects are selected by NYSDOT.
 - Surface Transportation Block Grant Program (STBGP). This is the most flexible FHWA fund source. In the urbanized area, projects may be on any facility that is functionally classified above Local Street. There are also set-asides under this program:
 - Transportation Alternatives Program. Previous to 2012 this was funded separately, but is now a set-aside of the state's STBGP apportionment based on the state's share of the total funding of the Transportation Enhancement Program in 2009. Project selection is based on a competitive process.
 - Off-System Bridges. States must set aside an amount equal to 15% of their 2009 STP apportionment for use on bridge projects off the Federal Aid system.
 - Highway Safety Improvement Program (HSIP). Funds may be used on any public road for purposes that reflect the priority actions of the state's Strategic Highway Safety Program.
 - National Highway Freight Program (NHFP). This program was created in the FAST Act. Projects must be located on the National Highway Freight Network and contribute to the efficient movement of freight. Up to 10% of a state's apportionment may be used for intermodal or freight rail projects. Eligible projects are selected by the state and must be included in the State Freight Plan (<https://www.dot.ny.gov/freight-plan>).
 - Congestion Mitigation and Air Quality Improvement Program (CMAQ). Funds are used to improve air quality through eligible projects in non-attainment or maintenance areas as defined by the EPA. The Binghamton urbanized area is designated in attainment, so not eligible for CMAQ funds.
- Federal Transit Administration
 - Urbanized Area Formula Grant (§5307). This is the primary source of FTA funds for urban transit systems. Eligible uses include capital projects like bus purchases and preventive maintenance of buses purchased with FTA funds. In metropolitan areas of population less than 200,000 these funds may also be used for operating assistance.
 - Buses and Bus Facilities Formula Program (§5339(a)). Funds may be used to purchase buses and for bus facilities.
 - Enhanced Mobility of Seniors and Individuals with Disabilities (§5310). Funds are used for projects sponsored by private nonprofit organizations to purchase and operate vehicles that serve the transportation needs of the target populations. Projects are selected by the State with input from the MPO.

There are also a number of discretionary programs that may fund transportation projects. All of these are highly competitive.

- US Department of Transportation
 - Better Utilizing Investments to Leverage Investments (BUILD). Previously known as the TIGER Grant program, BUILD invests in highway, rail, transit, and port projects that meet high priority national objectives for the movement of people and freight and support the nation's economy.
- Federal Highway Administration
 - Nationally Significant Freight and Highway Projects program, now known as Infrastructure for Rebuilding America grants (INFRA). Created in the FAST Act, this program funds a wide range of highway, bridge, and intermodal projects. At least 25% of the annual apportionment must be spent on projects in rural areas.
- Federal Transit Administration
 - Grants for Buses and Bus Facilities (\$5339) This is a companion to the formula program noted above. It provides competitive grants for the same purposes of purchase of buses and for bus facilities.

New York State also provides funding for MPO transportation purposes through the New York State Dedicated Highway and Bridge Fund. Part of this is through provision of matching funds for Federal aid. Most of the FHWA and FTA programs are 80% Federal funding. NYSDOT provides a share of the remainder. The State Dedicated Fund may also be used to fully fund capital projects on State highways.

Revenue forecasts are developed in five-year blocks, based on the recognition that annual forecasts are not useful for a long-range plan. The first block (2021-2025) is an expansion to five years of the current BMTS 2021-2024 Transportation Improvement Program. For each subsequent five year program block the agreed upon revenue forecast methodology increases revenue by 3% for each of the formula programs of FHWA and FTA, and for NY State Dedicated Fund.

The revenues are displayed in Table 1.

CAVEAT: Federal Authorization

The programs of FHWA and FTA are currently authorized in the FAST Act. These authorizations expire on September 30, 2020. If a new authorization is not in place prior to the adoption of this LRTP, the Financial Plan and LRTP may subsequently be amended to account for changes in programs or apportionments. Note that in the two prior authorizations, MAP-21 and the FAST Act, some existing programs were eliminated, and new programs added.

CAVEAT: Discretionary and Non-Traditional Funding

While BMTS and its members may seek Federal discretionary grants and explore opportunities for private funding through public-private partnerships, these are not included in the Financial Plan. If any such funding is obtained, the LRTP will be amended to include it.

METHODOLOGY: COST INFLATION

FHWA maintains a National Highway Construction Cost Index with data back to 2003, but they do not forecast construction cost inflation. NYSDOT provides inflation forecasts for the development of the Transportation Improvement Program. They used a 2% annual inflation rate from state fiscal year 2018-19 through SY 2025-26. They recommend continuing to use an annual inflation factor of 2% for the remainder of the LRTP. Broome County recommends annual inflation of _% for bus purchases.

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Table 1 BMTS LRTP Financial Plan Revenue Forecast

		REVENUE FORECASTS						
		(\$ million)						
FUND SOURCE			TIME BLOCKS (3% Increase beginning 2026-2030)					
FORMULA FUNDS		Current TIP (2021-2024)	2021-2025	2026-2030	2031 - 2035	2036-2040	2041-2045	PLAN TOTAL
FHWA	NHPP	\$220.354	\$275.443	\$283.706	\$292.217	\$300.983	\$310.013	\$1,462.362
	NHFP	\$0.000	\$0.000	\$10.000	\$10.000	\$10.000	\$10.000	\$40.000
	STPBG	\$153.438	\$191.798	\$197.551	\$203.478	\$209.582	\$215.870	\$1,018.279
	HSIP	\$14.412	\$18.015	\$18.555	\$19.112	\$19.685	\$20.276	\$95.644
	STP-OFF	\$18.620	\$23.275	\$23.973	\$24.692	\$25.433	\$26.196	\$123.570
FHWA TOTAL		\$406.824	\$508.530	\$533.786	\$549.499	\$565.684	\$582.355	\$2,739.855
FTA	Sec 5307	\$15.364	\$19.205	\$19.781	\$20.375	\$20.986	\$21.615	\$101.962
	Sec 5339(a)	\$5.125	\$6.406	\$6.598	\$6.796	\$7.000	\$7.210	\$34.012
	Sec 5310	\$1.360	\$1.700	\$1.751	\$1.804	\$1.858	\$1.913	\$9.026
FTA TOTAL		\$21.849	\$27.311	\$28.131	\$28.975	\$29.844	\$30.739	\$144.999
TOTAL FEDERAL								\$2,884.854
NEW YORK STATE FUNDS	State Dedicated (SDF)	\$150.704	\$188.380	\$194.031	\$199.852	\$205.848	\$212.023	\$1,000.135
TOTAL FUNDS AVAILABLE FOR LRTP			\$724.221	\$755.948	\$778.326	\$801.376	\$825.117	\$3,884.989