

**MEMORANDUM**

**To:** CMAP Board and MPO Policy Committee

**From:** CMAP Staff

**Date:** September 25, 2024

**Subject:** Regional Transportation Plan update

**Action Requested:** Information and discussion

---

---

CMAP will provide an update to the CMAP Board and the MPO Policy Committee on the development of the Regional Transportation Plan (RTP). During the joint meeting, the RTP team will outline the progress to date and explain how the RTP connects with other planning efforts at CMAP. Following this brief update, staff will also present information about the financial planning process for the RTP.

**Financial Plan for Transportation: overview of federal requirements**

Federal law requires that metropolitan planning organizations include a financial plan that shows how the transportation plan will be implemented. The financial plan, as a standalone component of the RTP, must be fiscally constrained, meaning the plan must demonstrate that enough resources are available to support the transportation system as envisioned in the long-range plan. This will require the estimation of the costs of operating, maintaining, and expanding the multimodal transportation system, and identifying expected revenue sources over the planning period (2027-2050).

**Financial Plan approach**

To meet federal requirements, CMAP must assess the costs and revenue needed to operate, maintain, and expand the region's transportation system from 2027 to 2050. This process will ensure that the RTP's transportation goals, strategies, and projects are financially realistic and sustainable. It will also allow for the identification of trends and policies that may affect future funding, as well as address any funding gaps and/or strategies to secure additional funds to ensure the region's desired transportation outcomes.

The key components of the financial planning process will include:

- **Forecasting revenues and expenditures:** Staff will conduct long-term forecasting for revenue and expenditures, considering current trends, policies, and other factors. Similar to past plans, staff will perform financial analysis and policy research to create these forecasts.
- **Allocating expenditures:** The financial plan will provide a framework to prioritize transportation investments into different categories including the administration, operation, maintenance, improvement, and expansion of the transportation system. These categories will help assess regional funding priorities and investment strategies.
- **Exploring financial scenarios:** It's anticipated that baseline revenues will not be enough to cover the cost of expenditures identified in the RTP. To address this fiscal constraint, staff will explore different financial scenarios, examining emerging trends, identifying potential new revenue sources, and considering strategies to increase investment.

### **Next steps**

In the coming months, staff will begin drafting financial forecasts for the RTP. This will include identifying data inputs, confirming forecasting methods, and establishing a resource group. This resource group, composed of financial planning experts from partner transportation agencies, will help review assumptions and guide the financial planning process. CMAP staff will continue to update the CMAP Board and MPO Policy Committee throughout the process.

### **Request**

This update is for informational and discussion purposes.