Florida FY21 FHWA/FTA Fiscal Constraint White Paper

Rev 06/28/21

FHWA and FTA have been working together with FDOT and the MPOs to make fiscal constraint of Long Range Transportation Plans (LRTP) more transparent by providing federal interpretation, expectation and suggested strategies for implementing federal fiscal constraint documentation requirements. This white paper compiles previous communication, summarizes these techniques, and provides additional clarification.

Showing Federal Funds in the 1st 10 years of the LRTP Summary Clarification:

If MPOs identify the state and federal funds used for each project as a combined funding source, projects in the first ten years must be flagged or otherwise identified if federal funds are to be used on the project. This can be done with an asterisk for each federal project and footnote at the bottom, or a definition that all of the projects in the listing for “State/federal funds” will use a combination of state and federal funds.

Including the 1st 5 years in the LRTP Summary Clarification:

The LRTP planning time period begins on the date of plan adoption, and the LRTP must include at least twenty years of projects and funding from the year beginning with the adoption date. TIPs are developed from the LRTP and expire when the new STIP is approved. A TIP referenced from the time of the LRTP adoption or including it in the LRTP appendix will therefore have no meaning after it expires, nor do these techniques allow for a cohesive financial plan that demonstrates fiscal constraint. The first 5 years of projects in the LRTP should be included with the projects for the remainder of the LRTP planning time period so as to provide a complete picture of the revenues and costs for the entire planning time period in a similar format with the rest of the projects. Consistent documentation is important to determining fiscal constraint. The first five years of projects must be included in the Cost Feasible LRTP and be included in the financial plan that compares costs to revenues by planning period to show how the plan can be implemented.

Assessment of Fiscal Constraint in the Financial Plan Summary Clarification:

Not covered in the previous LRTP Expectations Letters is the topic of how the Financial Plan demonstrates LRTP implementation. FHWA/FTA use this, in part, to determine fiscal constraint. This topic is being initiated based on observed issues in recent certification reviews that have generated corrective actions. To demonstrate fiscal constraint, the financial plan must compare project costs with reasonably anticipated revenues for each planning time period (typically 5-year timeframes) to show that the plan can be implemented with the projected revenues. Fiscal constraint for a project means that all needed project phases can be implemented with the funding identified in the LRTP. A summary table that shows that revenues exceed project costs (including system level costs for operations and maintenance) for each planning timeframe increment is a simple way of demonstrating the results of the financial plan. As noted in the 2012 Expectations Letter, including system level operations and maintenance costs as a separate line item in the project costs table is an expected practice to ensure that these costs are considered as part of the financial plan for fiscal constraint.

Showing Federal Funds in the 1st 10 years of the LRTP References

2008 Expectations Letter

Fiscal Constraint: Projects in Long Range Transportation Plans (LRTPs) are required to be described in enough detail to develop cost estimates in the LRTP financial plan that show how the projects will be implemented. These estimates could reflect known costs of mitigation. The LRTP documentation of project costs will enable FHWA/FTA and FDOT to determine fiscal constraint of the document.

For a project to be included in the cost feasible plan, the cost of and source of funding for each phase being funded (including the PD&E phase) must be documented. The source of funds for the PD&E phase can be shown as "boxed funds" reserved for "PD&E" in a state or local revenue forecast (e.g., a percentage of state/federal "Product Support" funds estimated to be available during a 5-year planning period) or be individually assigned to each project. Boxed funds should also be reserved for the Final Design phase as well or be individually assigned to each project. A third option is to use boxed funds entitled "PD&E and Final Design". Regardless of how the boxed funds are titled, the individual projects utilizing the box need to be listed, or at a minimum, described in bulk in the LRTP (i.e. PD&E for projects in Years 2016-2020).

Please note that the FHWA guidance refers to Preliminary Engineering (PE). In most states this would include two of Florida phases: PD&E and Final Design. PD&E could also be referred to as "PE for NEPA".

2012 Expectations Letter

Federal Revenue Sources: Federal and state participation on projects in the Cost Feasible LRTP can be shown as a combined source for the cost feasible projects. Projects within the first ten years of the Plan must be notated or flagged to identify which projects are planned to be implemented with federal funds. Beyond the first ten year period, the specific federal funding notation is not expected. The project funding, however, must be clearly labeled as a combined Federal/State source in the Cost Feasible LRTP. (23 CFR 450.322(10)f(iii)) {Note: This is the citation reference as it was in 2012.}

2012 Expectations Letter Q&A

- FDOT Comment on Dec 2011 Draft Document: Page 3, Revenue Sources, last two sentences: Historically, FHWA, FDOT and Florida's MPOs have agreed that estimates of state and federal funds "flowing through" FDOTs work programs should be combined to simplify MPO plan development and documentation. Documenting the separate amounts of project funding with state and federal funds yields no added value, but will yield added detail, planning costs, and documentation. The mix of state and federal funds on any given project can change repeatedly from adoption of the LRTP, inclusion in the TIP, and throughout the implementation of the project to best maximize available funds. It will not be productive to reconcile planning and programming documents repeatedly to reflect these changes. In response to an FDOT request for examples of LRTPs with breakdowns of state and federal funding for projects, FHWA provided four LRTPs, only one of which identified state and federal funds on a project basis and two of the example LRTPs showed no source of funding on a project basis. We believe such breakdowns add no value to the process or documentation.

Federal Response: In order for FHWA to approve environmental documents, projects must either require some sort of federal action or be funded in some capacity with federal funds. If projects are not identified in the LRTP as using federal funds, there may be no basis to provide federal approval. The need to break out state and federal funds for projects in the first 10 years of the LRTP helps to identify federally funded projects. Typically, the first 5 years are found in the TIP and this information should be readily available. Thus, the improvement to the transparency of the project funding would only apply to the additional 5 years (years 6 through 10) of the LRTP. This display is also part of demonstrating fiscal constraint, to show that the funds being used are appropriate and are an eligible use of the type of federal funds being applied to the project. If the state and MPOs recommend an alternative approach that satisfactorily addresses this issue, FHWA is open to considering other methods.

- FDOT Comment on June 2012 Draft Document: Page 4, Revenue Sources: second paragraph: Specifies funding sources must be broken out to show federal, state, and local in the first ten years of the plan. Guessing the amount of project funding from state and federal sources will present misleading information to the public. The mix of funds changes repeatedly throughout the development and implementation of a project; this practice allows the state to maximize the use of federal funds.
Federal Response: We recognize that revenues and costs in the LRTP are planning level estimates. Decimal accuracy is not the expectation at this stage of a project's development. However, we have revised this section to indicate that projects planned for the use of federal funds need to be clearly identified. If a project is initially flagged as having federal funds and federal funds are removed, this notation change can be made in the LRTP at the next regular LRTP update cycle. If a project is not initially flagged as having federal funds and federal funds are then added, this notation change can be made prior to the request for federal action or the next regular LRTP update cycle, whichever occurs first. In either situation, the notation change can be made by modification in accordance with the relevant MPO's written LRTP modification procedures.

- FDOT Email Comment on November 2012 Draft Document: Page 4, last paragraph: "Beyond the first ten year period, federal and state participation on projects can be shown as a combined source, but must be clearly labeled as combined in the Cost Feasible LRTP." This seems to imply the first ten years of cost must be shown as separate Federal and State. FDOT agreed to an indication of Federal Funds, not a breakdown of sources for the first ten years.
Federal Response: We agreed as well. We've revised the language to remove the confusion. "Federal and state participation on projects in the Cost Feasible LRTP can be shown as a combined source for the cost feasible projects. Projects within the first ten years of the Plan must be notated or flagged to identify which projects are planned to be implemented with federal funds. Beyond the first ten year period, the specific federal funding notation is not expected. The project funding, however, must be clearly labeled as a combined Federal/State source in the Cost Feasible LRTP." We have found that the documentation of the combined sources is not always clearly labeled in current Cost Feasible Plans.

2018 Expectations Letter

N/A

2018 Expectations Letter Q&A

N/A

Current Laws

23 USC 134(i)(2)(C) FINANCIAL PLAN.—A financial plan that demonstrates how the adopted transportation plan can be implemented, indicates resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted transportation plan if reasonable additional resources beyond those identified in the financial plan were available. For the purpose of developing the transportation plan, the metropolitan planning organization, transit operator, and State shall cooperatively develop estimates of funds that will be available to support plan implementation.

Current Regulations (Highlight added)

23 CFR 450.324(f)(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.

(iii) The financial plan shall include recommendations on any additional financing strategies to fund projects and programs included in the metropolitan transportation plan. In the case of new funding sources, strategies for ensuring their availability shall be identified. The financial plan may include an assessment of the appropriateness of innovative finance techniques (for example, tolling, pricing, bonding, public private partnerships, or other strategies) as revenue sources for projects in the plan.

(iv) In developing the financial plan, the MPO shall take into account all projects and strategies proposed for funding under title 23 U.S.C., title 49 U.S.C. Chapter 53 or with other Federal funds; State assistance; local sources; and private participation. Revenue and cost estimates that support the metropolitan transportation plan must use an inflation rate(s) to reflect “year of expenditure dollars,” based on reasonable financial principles and information, developed cooperatively by the MPO, State(s), and public transportation operator(s).

(v) For the outer years of the metropolitan transportation plan (i.e., beyond the first 10 years), the financial plan may reflect aggregate cost ranges/cost bands, as long as the future funding source(s) is reasonably expected to be available to support the projected cost ranges/cost bands.

Current Guidance

Transportation Plan and Program Fiscal Constraint Review Questions, March 8, 2005
https://www.fhwa.dot.gov/planning/fsclrstrntques.cfm

Financial Planning and Fiscal Constraint For Transportation Plans and Programs Questions & Answers, April 15, 2009
https://www.fhwa.dot.gov/planning/fsclcntrntques.cfm

Q13. **When might cost bands be utilized in the financial plan for the metropolitan transportation plan?** For the outer years of the metropolitan transportation plan (i.e., beyond the first 10 years), the financial plan may reflect aggregate cost bands, as long as the future funding sources necessary to pay for these costs are reasonably expected to be available to support the upper limit of the projected cost bands (23 CFR 450.322(f)(10)(v)).

Cost bands are useful where there is significant potential for uncertainty and risk. Some projects in the second 10-years of a metropolitan transportation plan might fall into this category, particularly larger projects. Risks and uncertainties may result from cost escalation (materials and labor), construction unknowns (unknown site conditions), uncertain environmental mitigation, unknown right-of-way needs, contractor risk and other causes. A cost band is a potential range of project costs that considers these and other risks and other potential uncertainties. A cost band can help convey the uncertainty of an estimate for a project and help educate other parties (such as the public and elected officials) who may not be intimately familiar with the project about cost variability. The use of cost bands in the second ten years of the metropolitan transportation plan can help avoid misleading the public or others with a false sense of precision.

The use of cost bands does not avoid the requirement to show fiscal constraint. Revenues necessary to meet the outer (upper) band of the cost band in the financial plan must be "reasonably expected to be available." All necessary financial resources from public and private sources that are reasonably expected to be available to carry out the upper band(s) of the cost band(s) shall be identified. In the case of new funding sources, strategies for ensuring their availability shall be identified [see 23 CFR 450.322(10)(v)].

Guidance on Financial Planning and Fiscal Constraint for Transportation Plans and Programs, April 17, 2009
https://www.fhwa.dot.gov/planning/guidfinconstr.cfm

Q 13. When might cost bands be utilized in the financial plan for the metropolitan transportation plan?

For the outer years of the metropolitan transportation plan (i.e., beyond the first 10 years), the financial plan may reflect aggregate cost bands, as long as the future funding sources necessary to pay for these costs are reasonably expected to be available to support the upper limit of the projected cost bands (23 CFR 450.322(f)(10)(v)).

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The use of cost bands does not avoid the requirement to show fiscal constraint. Revenues necessary to meet the outer (upper) band of the cost band in the financial plan must be "reasonably expected to be available." All necessary financial resources from public and private sources that are reasonably expected to be available to carry out the upper band(s) of the cost band(s) shall be identified. In the case of new funding sources, strategies for ensuring their availability shall be identified [see 23 CFR 450.322(10)(v)].

Including the 1st 5 years in the LRTP References

2008 Expectations Letter

Plan Horizon: Plans are required to have at least a 20 year horizon. FHWA and FTA support Florida's efforts to standardize the horizon year and establish a uniform format to report the transportation needs of each MPO in their next LRTP updates that can also be used to compile and identify the regional and statewide transportation needs of Florida's metropolitan areas. FDOT and Florida's MPOs (via the MPOAC) have agreed to use 2035 as the horizon year. The base year for the next LRTP updates will be 2009. These efforts to standardize the MPOs' plans will provide consistency among plans and allow for better analysis and apples to apples comparisons, so unmet needs can be more accurately quantified and demonstrated. More information on this issue is provided in the "Financial Guidelines for MPO Long Range Plans" paper adopted by the MPOAC (attached).

2012 Expectations Letter

Full Timespan of the LRTP: The LRTP is a document that has a planning horizon of at least 20 years. The LRTP is based upon the region's visioning of the future within the bounds of the financial resources that are available to the region during that timeframe. The LRTP is not a programming document, but rather a planning document that describes how the implementation of projects will help achieve the vision. Therefore, the MPOs will need to show all the projects and project funding for the entire time period covered by the LRTP, from the base year to the horizon year. (23 CFR 450.322(a)) {Note: This is the citation reference as it was in 2012.}

2012 Expectations Letter Q&A

- FDOT Comment on Dec 2011 Draft Document: Page 4, 3. Full Timespan of the LRTP: This paragraph is confusing. The LRTP should contain projects for the period covering the base year through the horizon year, including the years covered in the TIP. The Existing plus Committed may not be the same as the TIP in all cases; we suggest dropping any references to the E + C. It may be beneficial to discuss the best way to do this, such as a link to the TIP document, in subsequent discussions with the MPOs.
Federal Response: References to E + C were removed. The LRTP will need to show all projects starting with the base year and going through the horizon year. A link to a current TIP document would not accurately present the projects, as TIPs change annually to add a new fifth year.

- West Florida RPC Comment on June 2012 Draft Document: Page 5 Full Time Span: They want to see all projects and related funding for base-year through horizon year. Again, big change but this one should not be that difficult.
Federal Response: The intent is to demonstrate fiscal constraint and how projects are prioritized and planned for through their completion.

2018 Expectations Letter

Full Time Span of LRTP (1st 5 Years): Plans are required to have at least a 20-year horizon. The effective date of the LRTP is the date of the MPO adoption of the plan. As such, the MPO is required to have an LRTP that includes projects from the date of adoption projected out at least 20 years from that date. The LRTP is a planning document that describes how the proposed projects will help achieve the regional vision. The Transportation Improvement Program (TIP), however, is a reflection of the investment priorities which are established in the LRTP. When adopting an updated LRTP, the projects in the previous LRTP are assessed and revised to acknowledge projects that have: 1) moved forward (these are typically removed from the updated LRTP), 2) shifted in time (these could be moved forward or back in implementation in the updated LRTP), and 3) been added or deleted based on the MPO's current priorities. The TIP is only a resource for determining which projects have moved forward. **The TIP, which is based on the previous LRTP, is not a substitute for the first 5 years of the updated LRTP.** Additionally, the TIP is a 4-year programming document that, in Florida, is adopted every year and thus expires annually. When LRTPs "include the TIP", it is a reference to a static and outdated document once the next TIP is incorporated into the Statewide Transportation Improvement Program (STIP), which occurs annually in Florida Therefore, the MPOs will need to show all of the projects, phases, and estimates from the adoption date through the horizon year of the LRTP, which is considered the entire time period of the LRTP. In addition, funding sources need to be shown for all projects from the adoption date through the first 10 years. {23 CFR 450.324(a); 23 CFR 450.326(a)}

2018 Expectations Letter Q&A

- Full Time Span of LRTP (1st 5 years) - **[MPO Question on Oct 2017 Draft Document]** Would this require an LRTP amendment annually to adopt the TIP into it? The TIP is a stand-alone document adopted each year; the Long Range Plan is to identify the "what's next" and be the visioning document. Including the TIP in year of expenditure is redundant information and could create additional work for MPOs. Is the intent to re-state all projects, phases and estimates from the TIP in the first five years in the LRTP? The TIP contains many more projects than the LRTP, because it includes maintenance, operations, and small scale projects, whereas our LRTP focuses on major capacity projects and generally groups smaller scale and O&M projects into categories. This could be extremely cumbersome and make it necessary to amend the LRTP very frequently.

We are proposing the 2045 Long Range Transportation Plan include an Existing plus Committed section that identifies all transportation enhancements between the 2015 base model year and current year, as well as all the projects programmed for construction in the TIP by 2025. The first year of the LRTP should be the next 5th year of the most recent TIP, prior to LRTP adoption. For example, our TIP will be adopted in July 2020 and will cover FY 2021 - FY 2025, the first band of the LRTP could then be 2026-2030, identifying projects with phases not funded through construction first, then the new priority projects.
Federal Response: Let's take a step back. If you are a new MPO, the first thing the MPO does is develop their long range vision and projects for the next 20 years – the LRTP, that includes broad information such as project costs, if federal, state and local funds will be used and what phases are going to occur over the next 20 years. The next step would be for this new MPO to take the 1st 4 years of the LRTP and develop a TIP that contains additional programming details such as specific fund categories, refining the cost estimates, and how phases are implemented by year. For the 2nd

TIP the new MPO develops, they would take projects from years 2-5 of the LRTP to provide the additional details and so on as each new TIP is developed.

The TIP is *consistent* with the LRTP, not a substitute for the LRTP. As such, only projects not currently in the LRTP or projects being significantly advanced from when originally planned would need to be amended into the LRTP. (See LRTP Amendment Thresholds document for specific details - http://www.fdot.gov/planning/policy/metrosupport/lrtp/lrtpthreshhold.pdf)

Current Laws

23 USC 134(i)(2)(C) FINANCIAL PLAN.—A financial plan that demonstrates how the adopted transportation plan can be implemented, indicates resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted transportation plan if reasonable additional resources beyond those identified in the financial plan were available. For the purpose of developing the transportation plan, the metropolitan planning organization, transit operator, and State shall cooperatively develop estimates of funds that will be available to support plan implementation.

Current Regulations (Highlight added)

23 CFR 450.324(a) The metropolitan transportation planning process shall include the development of a transportation plan addressing no less than a 20-year planning horizon as of the effective date. In formulating the transportation plan, the MPO shall consider factors described in §450.306 as the factors relate to a minimum 20-year forecast period. In nonattainment and maintenance areas, the effective date of the transportation plan shall be the date of a conformity determination issued by the FHWA and the FTA. In attainment areas, the effective date of the transportation plan shall be its date of adoption by the MPO.

23 CFR 450.326 (a) The MPO, in cooperation with the State(s) and any affected public transportation operator(s), shall develop a TIP for the metropolitan planning area. The TIP shall reflect the investment priorities established in the current metropolitan transportation plan and shall cover a period of no less than 4 years, be updated at least every 4 years, and be approved by the MPO and the Governor. However, if the TIP covers more than 4 years, the FHWA and the FTA will consider the projects in the additional years as informational. The MPO may update the TIP more frequently, but the cycle for updating the TIP must be compatible with the STIP development and approval process. The TIP expires when the FHWA/FTA approval of the STIP expires. Copies of any updated or revised TIPs must be provided to the FHWA and the FTA. In nonattainment and maintenance areas subject to transportation conformity requirements, the FHWA and the FTA, as well as the MPO, must make a conformity determination on any updated or amended TIP, in accordance with the Clean Air Act requirements and the EPA's transportation conformity regulations (40 CFR part 93, subpart A).

Current Guidance

Transportation Plan and Program Fiscal Constraint Review Questions, March 8, 2005
https://www.fhwa.dot.gov/planning/fsclrstrntques.cfm

Assessment of Fiscal Constraint in the Financial Plan References

2008 Expectations Letter

N/A

2012 Expectations Letter

Operations & Maintenance: LRTP cost estimates need to be provided for the Operations and Maintenance (O&M) activities for the entire timeframe of the LRTP. System level estimates for O&M costs may be shown for each of the five-year cost bands or may be provided as a total estimate for the full LRTP timeframe. System level is interpreted to mean the system within the MPO planning boundaries. Local agencies, working with the MPO, need to provide cost estimates for locally-maintained facilities covered in the Plan. FDOT, working with the MPO, needs to provide cost estimates for the state-maintained facilities covered in the Plan. System level estimates at the FDOT District level are acceptable for the state-maintained facilities. The LRTP will also need to identify the general source of funding for the O&M activities. Since O&M costs and related revenues are not available to balance the fiscal constraint of capital investment projects, a clear separation of costs for operations and maintenance activities from other grouped and/or regionally significant projects will need to be shown in order to demonstrate fiscal constraint. (23 CFR 450.322(f)(10)(i)). {Note: This is the citation reference as it was in 2012.}

2012 Expectations Letter Q&A

- FDOT Comment on Dec 2011 Draft Document: Page 3, Fiscal Constraint, a. Operations & Maintenance: FDOT believes providing statewide revenue and cost estimates for operations and maintenance on the State Highway System demonstrates fiscal constraint. Per Florida Statute, FDOT has performance and funding criteria for maintaining the statewide transportation system. FDOT believes that estimating sufficient revenues to meet program objectives on the entire State Highway System, with the stipulation that projected funds can only be used for the dedicated categories, should suffice for fiscal constraint. FHWA, FDOT and Florida MPOs have agreed with this approach for more than 15 years; we see no added value – but we do see added detail, planning costs, and documentation – by changing the approach. FDOT concurs revenues and program costs for operations and maintenance of locally owned facilities should be documented in the LRTP.
Federal Response: Per 23 CFR 450.322(f)(10)(i), the requirement is specific to each MPO Long Range Transportation Plan. Providing statewide costs does not address the O & M costs by MPO planning area. Breaking out the costs to the MPO Planning area is needed to meet the requirements as shown in the Codified Federal Regulations. These are expected to be planning level system estimates. Further clarification is given in the document.

- FDOT Comment on June 2012 Draft Document: Page 3, State Highway System Operations & Maintenance (O&M): Specifies O&M costs and revenue sources must be identified for each year (1st ten), or band of years, for each MPO. Currently FDOT provides MPOs with system-level estimates of O&M and other preservation costs and revenue sources for the State Highway System (SHS) as required by 23 CFR 450.322(f)(10)(i). These estimates are consistent with the performance-based budgeting approach (i.e., funding O&M, preservation based on documented needs) required by state law. Most O&M funds are programmed in the Work Program at the district-wide level. Guessing the amount of O&M by MPO area will provide the public with misleading, inaccurate information.

Response: We have provided clarification that O&M costs do not need to be identified by year. Per 23 CFR 450.322(f)(10)(i), the requirement is specific to each MPO Long Range Transportation Plan. Providing statewide costs does not address the O&M costs by MPO planning area. Breaking out the costs is needed to meet the requirements as shown in the CFR. Providing system level estimates by District is acceptable in meeting the criteria. It is expected that these costs will be planning level system estimates. Further clarification is given in the document.

- <u>MetroPlan Comment on June 2012 Draft Document:</u> Page 3, Operations and Maintenance: The annual cost estimate for operations and maintenance of local projects will be very general. I imagine that using the annual figures shown in local Capital Improvement Programs for the first five years and showing that same level of funding for each of the second five years is acceptable?
Response: If that method is reasonable to the MPO and the local agency(ies), then yes.

- <u>West Florida RPC Comment on June 2012 Draft Document:</u> Page 3 O&M: It appears to me FHWA is wanting us to include the FDOT estimates for O&M PLUS the locals estimates for O&M. It also seems to me that they want a line item for O&M in the CFP. They say they want to see an estimate, by funding type, for EACH of the first 10 years in the Plan. That is a big change from what we do now.
Response: This section was revised. FHWA is looking for estimates of O&M for the region during the LRTP timeframe. Funds spent on O&M are not available for capacity improvements and therefore the total revenues available to the MPO will need to split into O&M as well as capacity improvement projects.

- <u>West Florida RPC Comment on June 2012 Draft Document:</u> On page 3 regarding Operations and Maintenance (O&M). Each of our TPOs includes an appendix in the LRTP that is provided by FDOT to satisfy the O&M LRTP requirement. **Will this still be acceptable to the Federal Highway Administration?**
Response: The LRTP will need to include specific O&M numbers for the regional level instead of the general statewide assessment of O&M that has been used in the past. This section of the letter has been revised. More discussions will be forthcoming between FDOT, MPOs and FHWA/FTA on this issue as needed.

<u>2018 Expectations Letter</u>

N/A

<u>2018 Expectations Letter Q&A</u>

N/A

<u>Current Laws</u>

23 USC 134(i)(2)(C) FINANCIAL PLAN.—A financial plan that demonstrates how the adopted transportation plan can be implemented, indicates resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted transportation plan if reasonable additional resources beyond those identified in the financial plan were available. For the purpose of developing the transportation plan, the metropolitan planning organization, transit operator, and State shall cooperatively develop estimates of funds that will be available to support plan implementation.

Current Regulations

23 CFR 450.324(f)(11) A financial plan that demonstrates how the adopted transportation plan can be implemented.

Current Guidance

Transportation Plan and Program Fiscal Constraint Review Questions, March 8, 2005
https://www.fhwa.dot.gov/planning/fsclrstrntques.cfm

Lessons Learned in Fiscal Constraint, August 14, 2006
https://www.fhwa.dot.gov/planning/lsnlrndfsclcnstnt.cfm

Financial Planning and Fiscal Constraint For Transportation Plans and Programs Questions & Answers, April 15, 2009
https://www.fhwa.dot.gov/planning/fsclcntrntques.cfm

Guidance on Financial Planning and Fiscal Constraint for Transportation Plans and Programs, April 17, 2009
https://www.fhwa.dot.gov/planning/guidfinconstr.cfm

Clarifying Fiscal Constraint Guidance, May 15, 2017
https://www.fhwa.dot.gov/planning/clarify_fiscal_constraint.cfm

Q1. What is fiscal constraint?

Since 1991, fiscal constraint has been a key component of the statewide and metropolitan transportation planning processes. Fiscal constraint means that a Metropolitan Transportation Plan (MTP), Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP) include sufficient financial information to demonstrate that the projects in the MTP, TIP, and STIP can be implemented using committed, available, or reasonably available Federal, State, local, and private revenues, with the assurance that the federally supported transportation system is being adequately operated and maintained. Some examples of reasonable funding assumptions are discussed in the table below: {See guidance link for table}

Transportation Planning Requirements and Their Relationship to NEPA Approvals, Supplement to January 28, 2008 'Transportation Planning Requirements and Their Relationship to NEPA Process Completion', February 9, 2011
https://www.fhwa.dot.gov/planning/tpr_and_nepa/tprandnepasupplement.cfm

Q3. **What is Fiscal Constraint?**

Fiscal constraint means that the MTP, TIP, and STIP include sufficient financial information to demonstrate that Projects in the MTP, TIP, and STIP can be implemented using committed, available, or reasonably available revenue sources, with assurance that the Federally supported transportation system is being adequately operated and maintained. Additionally, Projects in non-attainment and maintenance areas can be included in the first two years of the TIP and STIP only if funds for those Projects are "available" or "committed". [23 CFR § 450.216(m) and § 450.324(i)]

Q8. **Is the term "fiscally constrained" different as it applies to the Transportation Plan, STIP, and TIP?**

No, the methodology and standards for developing and assessing fiscal constraint for the Transportation Plan, STIP and TIP are the same.

However, the fiscal constraint information in the STIP and TIP should be more refined than that found in the transportation plan (MTP or SLRP). The STIP and TIP require a 4-year fiscal constraint demonstration that indicates the resources available or committed and/or reasonably expected to be available to carry out the programs. This means that the STIP and TIP must demonstrate and balance their revenue forecast with their expected expenditure forecast (total estimated project costs) for the near term (4-year) period while adequately operating and maintaining the federally supported transportation system. [23 CFR § 450.216(m) and § 450.324(h)]

It is more challenging for the transportation plan to forecast future revenues/costs for a 20-year time frame and to predict the exact nature of funding sources. Although near term MTP financial information is expected to be fairly accurate, the estimates for the outer years (10+ years) of the plan may be less precise. If cost ranges or bands are used (which are allowable in the outer years of the plan), associated revenues should be reasonably expected to be available to cover Project expenditures, including the upper limit of those bands or ranges. Over time, more current financial data and forecasts can be developed as the MTP is updated every four to five years (or more frequently).

For outer years beyond the timeframe of the TIP and STIP, project sponsors must identify reasonably available source of funding for their Project, which should include a defined funding strategy for the completion of their Projects.

Table 4 provides information on the funding requirements and type of revenue resources that are associated with the planning documents and timeframe.

Q31. **Why is fiscal constraint requirement critical now?**

Fiscal constraint has been a critical part of the planning and project development processes since the passage of ISTEA in 1991. In today's limited fiscal environment, it is critical that we provide due diligence as to how public funds are expended. When making NEPA decisions, including the decisions whether to initiate the NEPA process, it is incumbent on the Division Office to consider the broader context of fiscal stewardship. Fiscal stewardship is a critical role and responsibility for the FHWA and is engrained throughout the transportation decision making process: from fiscal constraint requirements in the transportation planning process, to reasonable cost estimates of alternatives in project development and the NEPA process, to financial plans and Major Project requirements during design and construction.

The FHWA must actively encourage transparency, consistency, and reasonableness with regard to planned expenditures of public resources, and attempt to ensure that consistent messages are being provided throughout the planning, project development, NEPA, design, construction, operation, and environmental mitigation follow-up processes.

Financial Guidelines for MPO Long Range Plans

Background

The MPOAC adopted the "MPOAC 2025 Florida Transportation Plan Implementation Action Plan" at its April 2007 meeting. This document is intended to serve as a starting point for discussions regarding implementation of General Action 4 of the Implementation Action Plan, which states:

4.I mprove Conditions for Estimating Statewide Financial Shortfall: One of the key transportation issues identified in the FTP is an imbalance between estimated transportation needs and future financial resources. The statewide 20-year funding shortfall for MPO areas was estimated to be $37.7 billion in 2002 (expressed in Year 2000 dollars). However, the accuracy of this and previous shortfall estimates are called into question due to a lack of uniformity in the reporting of financial and planning data. Therefore, a set of statewide guidelines for defining and estimating transportation needs and reporting financial data in MPO LRTPs should be developed by the MPOAC in coordination with FDOT. Additionally, MPOs in Florida will agree to include an estimate of transportation needs in their adopted LRTP to facilitate a statewide estimate of transportation needs.

Long Range Transportation Plan Needs and Cost Feasible Plan

Guidelines for Defining and Reporting Needs

- All MPOs will include an estimate of needs within the body of their adopted LRTP. While MPOs need not include a full-scale needs plan including such information as maps and a project lists, MPOs should include sufficient information to understand the composition of the identified need. The needs estimate should include all costs (operations, maintenance, capacity expansion, etc.) associated with all modes included in the adopted LRTP.
- Certain types of projects should not be considered a "needed" project 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
- Transportation projects included in the MPO Needs Plan should be appropriate to meet the identified transportation need while advancing the goals and policies of the MPO. 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.

- Reported needs should be broken down by system and by mode. For example, SIS facility needs should be identified separately from needs on non-SIS state highway facilities and highway needs not on the state highway system.

Guidelines for Financial Reporting for Cost Feasible Long Range Transportation Plans

- Reasonably available revenue should be broken down by funding category. Additionally, the LRTP should identify the system component(s) that available revenue will be expended upon.
- 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 TIP.
- For their next adopted cost feasible LRTP, MPOs will use:
    - FY 2008/2009 as the base year
    - FY 2034/2035 as the horizon year

Long Range Revenue Forecast for Long Range Transportation Plan Updates

FDOT, in cooperation with the MPOAC and Florida's MPOs, has prepared long range revenue forecasts for state and federal funds that "flow through" the FDOT Work Program and other financial planning guidance since 1995. These forecasts and guidance have been used for the Florida Transportation Plan and metropolitan long range transportation plans. FDOT will, in cooperation with the MPOAC and Florida's MPOs, develop an updated revenue forecast through 2035 and guidance for the next updates of those plans. The following are issues that will affect the next forecast:

- New federal regulations clarify that the horizon year for an LRTP must be at least 20 years from the date of adoption; i.e., any LRTP adopted before the end of December 2010 may have a horizon year of 2030 or beyond.
- As of December 11, 2007, MPO long range transportation plans must be expressed in "Year of Expenditure" (YOE) dollars.
- The horizon years of current adopted Florida LRTPs vary: 11 plans have a 2025 horizon year, 15 plans have a 2030 horizon year.
- FDOT is currently updating the SIS Highway Component Cost Feasible Plan and extending the horizon year to 2035.

Based on these and other issues related to developing long range transportation plans, the following is guidance for developing and reporting financial estimates in the plans.

Guidelines for Revenue Estimates

- The recommended Base Year is FY 2008/2009 (State Fiscal Year) and recommended Horizon Year is FY 2034/2035 for all 26 metropolitan long range transportation plans.
- The recommended Time Period for estimates is 5 years (for example, 2009-2010, 2011-2015, 2016-2020, 2021-2025, 2026-2030, and 2031-2035). This is consistent with previous forecasts and simplifies reporting. The use of 5-year periods increases flexibility and reduces the need to "fine tune" project priorities.
- For estimates of State and Federal Revenues:
  - FDOT will provide YOE estimates for state capacity programs for individual MPOs, similar to prior forecasts.
  - FDOT will provide YOE statewide estimates for non-capacity state programs and provide documentation of program levels and system preservation objectives expected to be met by those funding levels, similar to prior forecasts; 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.
  - FDOT and the MPOAC will develop guidance for estimating revenues from other "reasonably available sources," particularly Proportionate Fair Share Contributions under Chapter 163, F.S.

Guidelines for Developing Project Costs

- Project Cost Estimates are typically expressed in Present Day Cost (PDC) dollars, so they will have to be adjusted with inflation factors for the time period in which they are planned to be implemented.
- To adjust costs from PDC to Year of Expenditure:
  - DOT has adopted estimates of inflation factors through 2035 that MPOs are encouraged to use. FDOT will provide documentation of the assumptions used to develop those factors.
  - MPO should document alternative inflation factors, with explanation of assumptions.
- The recommended Time Period for costs is 5 years (e.g., 2009-2010, 2011-2015, 2016-2020, etc). This is consistent with previous forecasts and simplifies reporting. In addition:
  - This increases flexibility and reduces the need to "fine tune" project priorities.
  - Annual inflation factor estimates will be used to estimate "mid-point" factors for project costs during respective 5-year period.
- Using YOE dollars, regardless of the length of time periods, requires establishing project priorities which may require some MPOs to modify their priority setting process and schedule.
- FDOT will provide YOE cost estimates, phasing and project descriptions for projects included in the 2035 SIS Highway Component 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 by May 30, 2008, incorporating the outcome of a 2007 Special Session of the Florida Legislature.

Technical Memorandum 21-02

Office of Policy Planning

FROM: Office of Policy Planning

DATE: December 2021

SUBJECT: Fiscal Constraint of the Long Range Transportation Plan (LRTP)

The Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Florida Department of Transportation (FDOT) coordinated to develop guidance related to demonstrating fiscal constraint in the LRTP. This guidance is developed in response to fiscal year 2021 Program Accountability Results (PAR) Review and quadrennial Transportation Management Area (TMA) certification observations, and is supported by the 2008, 2012, and 2018 LRTP Expectations Letters and Florida FY21 FHWA/FTA Fiscal Constraint White Paper. These resources can be found on the MPO Partner Site.

Showing Federal Funds in the first 10 years of the LRTP

The Cost Feasible Plan (CFP) is a required aspect of the Long Range Transportation Plan (LRTP) that a Metropolitan Planning Organization (MPO) must produce every five years. The use of federal funds on projects needs to be noted in the CFP. If state and federal funds are used as a combined source, projects within the first ten years of the plan must be notated or flagged to identify which projects are planned to be implemented with federal funds. This can be demonstrated with an asterisk and footnote. Acceptable examples are provided later in this guidance.

Including the first 5 years in the LRTP

The LRTP is a planning document that describes how the implementation of projects will help achieve the vision. The plan must include at least twenty years of projects and funding beginning with the adoption date. This provides a complete picture of revenues and costs for the planning horizon. The first five years of projects must be included in the CFP and financial plan that compares costs to revenues to demonstrate how the plan can be implemented. The level of detail provided for the first five years can be consistent with a planning level document. The first five years of projects must not be included by referencing or linking the Transportation Improvement Program (TIP), which is updated annually. A reference or link to the TIP would not accurately represent the first five years of projects since TIPs change annually to add a new fifth year.

Assessment of Fiscal Constraint in the Financial Plan Summary

The financial plan demonstrates LRTP implementation by comparing project costs with reasonably anticipated revenues to show the plan can be implemented with projected revenues. This helps federal partners determine fiscal constraint, which means all needed project phases can be implemented with the funding identified in the LRTP. A simple way to demonstrate the results of the financial plan is to provide a table that shows revenues exceed project costs, including a separate line item or table for the anticipated revenue available for operations and maintenance. Showing operations and maintenance revenues as a separate line item or table helps ensure that these costs are being used in balancing the fiscal constraint of the revenues with both the capital and maintenance investments.

Examples

The following examples are organized by the three topics discussed above. Each example demonstrates how to address a single topic; the examples do not show how to address all topics in the same table or portion of the LRTP narrative.

Showing Federal Funds in the first 10 years of the LRTP

The below examples show how footnotes can be used to identify which projects are planned to be implemented with federal funds.

Example 1

Table 4-7 & Appendix B (Years 1-5)

"All projects will use a combination of federal and state funding unless noted with an asterisk (*). Projects noted with an asterisk (*) will use local funds only. Additional information on project funding and phases is available in the current Transportation Improvement Program."

Table 4-8 & Appendices C-D (Years 6+)

"All projects will use a combination of federal and state funding unless noted with an asterisk (*). Projects noted with an asterisk (*) will use local funds only."

Example 2

The first table summarizes funding sources and must be accompanied by the second table that shows a more detailed breakdown of projects, including identifying which projects are planned to be implemented with federal funds. Both tables are accompanied by the footnotes stating: "All funding sources involve a combination of federal and state funding unless noted with an asterisk. Funding sources noted with an asterisk will use local funds only." OR "All projects will use a combination of federal and state funding unless noted with an asterisk." If unique federal funding sources are listed in the footnote, it must include all pertinent sources.

Table 5-1: Projected Revenues, Capital Roadway Projects

	Funding Source[1]	Tier 1 2021-2025	Tier 2 2026-2030	Tier 3 2031-2035	Tier 4 2036-2045
[redacted]	Other Arterials (OA)	$ 43,006,687	$ 130,940,000	$ 142,800,000	$ 298,710,000
	SIS	$ 54,379,314	$ 11,220,236	$ 7,850,750	$119,080,400
	Local*	$ 112,196,583	$ 43,385,887	$ 43,433,361	-

[1]All funding sources involve a combination of federal and state funding unless noted with an asterisk (*). Funding sources noted with an asterisk (*) will use local funds only.

ID Num	Project Name	From	To	Strategy	Total Project Costs (LRTP YOE Cost + Prior Year Costs)	Prior Year Costs	Source			Funded Project Phases	YOE Cost by Phase				
							OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
100	ITS Near Term				$12,963,060						$-	$-	$-	$-	$-
101	ITS Mid Term				$16,600,500						$-	$-	$-	$-	$-
102	ITS Long Term				$45,926,663						$-	$-	$-	$-	$-
200	Intersection Improvements Near Term				$4,321,020						$-	$-	$-	$-	$-
201	Intersection Improvements Mid Term				$5,533,500						$-	$-	$-	$-	$-
202	Intersection Improvements Long Term				$15,308,888						$-	$-	$-	$-	$-

ID Num	Project Name	From	To	Strategy	Total Project Costs (LRTP YOE Cost + Prior Year Costs)	Prior Year Costs	Source			Funded Project Phases	YOE Cost by Phase				
							OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
-	SR 8 (I-10) Interchange at SR 61 & SR 261 (US 319)			Interchange Improvement	$11,977,000	$6,648,000					$-	$-	$-	$-	**$-**
-	SR 263 Capital Circle	Spring Road	Orange Avenue	Add lanes and reconstruct	$113,419,000	$59,040,000		x		D/ROW/ CST	$-	$60,221	$142,000	54,177,093	**$54,379,314**
-	SR 263 Capital Circle	Crawford Road	Spring Road	Add lanes and reconstruct	$59,051,000	$21,576,000	x			CST	$-	$-	$ -	$37,474,555	**$37,474,555**
-	SR 369 (US 319/Crawfordville Road)	N of SR 267	Leon CL	Landscaping	$34,100,000	$33,229,000	x			CST	$-	$-	$-	$871,074	**$871,074**
-	Northeast Gateway - Welaunee Boulevard Phase I	Fleisch Road	Roberts Road	New Road Construction	$72,400,000	$-			x	PDE/D/ROW/ CST	$1,600,000	$6,700,000	2,800,000	$61,300,000	**$72,400,000**
-	Northeast Connector - Bannerman Road	Quail Drive	Meridian Road	Widening and Multimodal Improvements	$39,797,000	$-			x	PDE/D/ ROW/ CST	2,507,185	$3,143,930	7,163,385	$26,982,083	**$39,797,000**
7	Crawfordville Road	LL Road	Wakulla Road	2 to 4 Lanes	$22,692,000	$1,165,000					$-	$-	$-	$-	**$-**
11.1*	Thomasville Road	Seventh Ave	Monroe Street	Multimodal Operational	$4,515,000	$-					$-	$-	$-	$-	**$-**
11.2*	Thomasville Road	Bradford Rd	Seventh Ave	Multimodal Operational	$6,546,000	$-					$-	$-	$-	$-	**$-**
12	Woodville Highway	Capital Circle SE	SR 263	2 to 4 Lanes	$44,938,000	$8,110,000					$-	$-	$-	$-	**$-**
45**	Tennessee Street/Mahan Dr/US 90	Capital Circle NE		Major Intersection Reconfiguration	$2,640,000	$-					$-	$-	$-	$-	**$-**
4.1	Crawfordville Road	East Ivan	Arran Road	2 to 4 Lanes	$65,404,000	$5,648,000					$-	$-	$-	$-	**$-**
21.1	Orange Avenue	Capital Circle SW	Bradford Road	Access Management and Multimodal Improvements	$3,184,000	$659,000					$-	$-	$-	$-	**$-**
21.2	Orange Avenue	Bradford Road	Bradford Road	2 to 4 Lanes	$27,347,000	$412,000					$-	$-	$-	$-	**$-**
21.4	Orange Avenue	Bradford Road	Monroe Street	2 to 4 Lanes	$30,618,000	$700,000	x			D	$2,090,000	$-	$-	$-	**$2,090,000**

ID Num	Project Name	From	To	Strategy	Total Project Costs (LRTP YOE Cost + Prior Year Costs)	Prior Year Costs	Source			Funded Project Phases	YOE Cost by Phase				
							OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
22.1	Pensacola Street	Capital Circle NW	Appleyard Drive		$19,670,000	$-					$-	$-	$-	$-	**$-**
23***	Tharpe Street	Capital Circle	Ocala Road	2 to 4 Lanes	$ 76,639,000	$-					$-	$-	$-	$-	**$-**
4.2	Crawfordville Road	Arran Road	Lost Creek Bridge	2 to 4 Lanes	$100,941,000	$5,648,000					$-	$-	$-	$-	**$-**
5	Crawfordville Road	Lost Creek Bridge	Alaska Way	2 to 4 Lanes	$144,370,000	$7,844,000	x			ROW	$-	$-	2,571,058	$-	**$2,571,058**
6	Crawfordville Road	Wakulla CL	Wallace Road	2 to 4 Lanes	$45,119,000	$1,445,000					$-	$-	$-	$-	**$-**
8	Interstate 10	US 90	Leon CL	4 to 6 Lanes	$53,188,660	$-					$-	$-	$-	$-	**$-**
9	Interstate 10	Leon CL	Capital Circle NW	4 to 6 Lanes	$79,633,650	$-					$-	$-	$-	$-	**$-**

[1] *All projects will use a combination of federal and state funding unless noted with three asterisks (***).*

Including the first 5 years in the LRTP

The below example shows how to include the first five years of projects. Information may be sourced from the TIP, but it is not incorporated by reference or link. The hypothetical example below should be read as a continuous table; the identification number is repeated in the first column for ease of reference. If projects are not fully funded within the first five years, additional funding will need to be reflected in subsequent cost bands or in the needs plan if all phases are not fully funded within the LRTP.

Example 3 (Hypothetical Example)

ID #	Project Name	From	To	Strategy	County	Total Project Costs (LRTP YOE Cost + Prior Year Costs)	Prior Year Costs	Source			Funded Project Phases	Tier 1 2021-2025 YOE Cost by Phase				
								OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
1	NE Connect	Quail Drive	Meri Road	Widening and Multi-modal	A	$39,797,000	$ -			x	PDE/D/ ROW/CST	$2,507,185	$3,143,930	$7,163,385	$26,982,083	**$39,797,000**
2	Crawford Road	East Ivan Drive	Arran Road	2 to 4 Lanes	B	$65,404,000	$5,648,000					$ -	$ -	$ -	$ -	**$ -**
3	Orange Avenue	N Lake Road	Monroe Street	2 to 4 Lanes	A	$30,618,000	$ 700,000	x			D	$2,090,000	$ -	$ -	$ -	**$2,090,000**
4*	Tharpe Street	Capital Circle	Ocala Road	2 to 4 Lanes	A	$76,639,000	$ -					$ -	$ -	$ -	$ -	**$ -**
5	Crawford Road	Lost Creek Bridge	North Way	2 to 4 Lanes	B	$144,370,000	$7,844,000	x			ROW	$ -	$ -	$2,571,058	$ -	**$2,571,058**

ID Num	Source			Funded Project Phases	Tier 2 2026-2030 YOE Cost by Phase				
	OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
1					$ -	$ -	$ -	$ -	**$ -**
2	x			ROW	$ -	$ -	$20,280,996	$ -	**$20,280,996**
3	x			ROW	$ -	$ -	$15,708,000	$ -	**$15,708,000**
4*			x	D/ROW	$ -	$5,548,262	$27,657,654	$ -	**$33,205,915**
5					$ -	$ -	$ -	$ -	**$ -**

ID Num	Source			Funded Project Phases	Tier 3 2031-2035 YOE Cost by Phase				
	OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
1					$ -	$ -	$ -	$ -	**$ -**
2	x			CST	$ -	$ -	$ -	$39,474,928	**$39,474,928**
3	x			CST	$ -	$ -	$ -	$12,120,403	**$ 12,120,403**
4*			x	CST	$ -	$ -	$ -	$43,433,361	**$43,433,361**
5	x			ROW	$ -	$ -	$11,160,000	$ -	**$ 11,160,000**

ID Num	Source			Funded Project Phases	Tier 4 2036-2045 YOE Cost by Phase				
	OA	SIS	L		PD&E	PE	ROW	CST	YOE Cost Total
1					$ -	$ -	$ -	$ -	**$ -**
2					$ -	$ -	$ -	$ -	**$ -**
3					$ -	$ -	$ -	$ -	**$ -**
4*					$ -	$ -	$ -	$ -	**$ -**
5	x			ROW/CST	$ -	$ -	$22,140,000	$100,655,000	**$122,795,000**

[1]*All projects will use a combination of federal and state funding unless noted with an asterisk (*). Projects noted with an asterisk (*) will use local funds only.*

Assessment of Fiscal Constraint the Financial Plan

The below example demonstrates how to show fiscal constraint in the Financial Plan, as well as how to show revenue and cost estimates for operations and maintenance separately. This hypothetical example is a demonstration of fiscal constraint for roadways. When separating out the costs, a separate line item or two tables must be used to demonstrate fiscal constraint. The first table shows fiscal constraint for capital projects, while the second table shows operation and maintenance for roadways separate from capital investments.

Example 4 (Hypothetical Example)

Table 1 Total Revenue and Costs for Roadway Capital Projects (2021-2045) (Years of Expenditure)

Financial Summary	Costs/Revenues in Year of Expenditures	
Tier 1 2021-2025		
OA	Revenues	$43,006,687
	Costs	$43,006,687
	Balance	-
SIS	Revenues	$54,379,314
	Costs	$54,379,314
	Balance	-
Local*	Revenues	$112,196,583
	Costs	$112,196,583
	Balance	-
Other State	Revenues	$12,060,000
	Costs	$12,060,000
	Balance	-
Tier 2 2026-2030		
OA	Revenues	$130,940,000
	Costs	$130,940,000
	Balance	-
SIS	Revenues	$11,220,236
	Costs	$11,220,236
	Balance	-
Local*	Revenues	$43,385,887
	Costs	$43,385,887
	Balance	-
Other State	Revenues	$10,500,000
	Costs	$10,500,000
	Balance	-
Tier 3 2031-2035		
OA	Revenues	$143,191,954
	Costs	$143,191,954
	Balance	-
SIS	Revenues	$7,850,750
	Costs	$7,850,750
	Balance	-
Local*	Revenues	$43,433,361
	Costs	$43,433,361
	Balance	-

Financial Summary	Costs/Revenues in Year of Expenditures	
Other State	Revenues	$15,600,000
	Costs	$15,600,000
	Balance	-
	Tier 4 2036-2045	
OA	Revenues	$299,094,054
	Costs	$299,094,054
	Balance	-
SIS	Revenues	$119,080,400
	Costs	$119,080,400
	Balance	-
Local*	Revenues	-
	Costs	-
	Balance	-
Other State	Revenues	$30,600,000
	Costs	$30,600,000
	Balance	-

All funding sources involve a combination of federal and state funding unless noted with an asterisk (*). Funding sources noted with an asterisk (*) will use local funds only.

The table below provides a summary of estimated revenues and costs for the system level operations and maintenance. The example anticipates that all operations and maintenance revenue will be fully expended.

Table 2 Total Revenue and Costs for Roadway Operations and Maintenance (2021-2045) (Years of Expenditure)

Funding Source	Category	Total Projected Revenues	Total Operations and Maintenance Costs
State	Districtwide SHS	$9,131,600,000	$9,131,600,000
Local	County Fuel Tax	$20,938,000	
	Constitutional Fuel Tax	$46,967,000	
	First Local Option Fuel Tax	$63,623,000	
	9th Cent Fuel Tax	$2,554,000	
	General Fund for Transportation	$44,985,000	
	Local Subtotal	$179,067,000	$179,067,000

Resources

- 2008 LRTP Expectations Letter
- 2012 LRTP Expectations Letter
- 2018 LRTP Expectations Letter
- Florida FY21 FHWA/FTA Fiscal Constraint White Paper
- FHWA LRTP Expectations Checklist