

**New Vision 2030
Draft Finance Plan**
(a required element of the plan)

Background

CDTC included comprehensive, twenty-year budgets for 17 project categories in the original New Visions plan adopted in 1997. These budgets were updated for the New Visions 2021 plan but remained unchanged in the New Visions 2025 plan as a result of little detectable change in unit costs between 2000 and 2004.

New estimates were required for all 17 project categories to both determine fiscal constraint and to set the discussion of “big ticket” initiatives in the proper context. Costs have changed dramatically in some categories in recent years, while federal and state funding has also increased.

Issues Explored

The budgetary update process involved three primary steps: (1) bringing unit costs up to a 2006-2007 base level; (2) accommodating the contents of project commitments in some project categories; and (3) adjusting estimates of existing and future anticipated financial revenues. By far, the more rapid growth in unit costs than in revenues was the biggest issue reviewed by the Transportation Finance Task Force. Work performed included full modeling of pavement and bridge conditions and consideration of products such as CDTA’s Transit Development Plan, the state’s High Speed Rail Task Force, the I-87 Corridor Study, and a decade of experience working with New Visions budgets for planning and programming. A key question confronted is whether the recent rapid increase in unit costs has created a *permanent* shortfall of funds to accomplish even the modest commitments in the New Visions plan.

Summary of Findings

Largely because of a recent (2000 to the present) run-up in the unit costs of highway and bridge projects, the overall annual budget requirements for the New Visions 2030 plan are substantially higher in nominal dollars (2007\$) they were in previous plans. On a nominal basis, the new budget of \$655 M per year for all public investment in transportation in the Capital District exceeds the previous estimate by 30%. In contrast, CDTC’s best estimates indicate that public investment has increased 17% on an annual basis since the previous estimate.

As before, the budget is overwhelmingly dominated by system preservation – “state of good repair” categories. Highway and bridge operations, maintenance, rehab and reconstruction categories alone account for 73% of the annual budget requirement.

The financial story for New Visions can be summarized as follows:

1. It is reasonable to anticipate that over the long term, revenues will track inflation and at least come close to tracking travel (vehicle miles of travel or equivalent). Funding for surface transportation is cyclical with funding initiatives achieving public support when viewed by the public as urgent and worthwhile. Thus, the New Visions plan is fiscally constrained.

It is *not* reasonable to anticipate that revenues will continue to be out-of-whack with the basic-system-maintenance-with occasional-improvements game plan represented by New Visions. As documented in CDTC's comparative analysis of MPO plans across the country (<http://www.cdtcmpo.org/rtp2030/c-budgets.pdf>), CDTC's New Visions plan is the most conservative of all those examined with regard to system expansion.

2. While the long-term financial prospects are realistic, short-term issues abound. Funding is currently inadequate to address major highway and bridge reconstruction on an expressway system that will be up to 80 years old by 2030. As a result of recent inflation, current funding levels cover only 70 cents of each dollar required in annual investments over the next 30 years.

3. The current situation reinforces the value of CDTC's "steady progress" principle. That is, until funding levels match in real dollars the New Visions budget levels, funding commitments can be made to individual projects across all project types but at a slower pace of implementation than in the financial plan. CDTC will continue to seek bike and pedestrian accommodations, intermodal improvements, transit service improvements, new system operations initiatives and the like along with system preservation projects even while working with its partners to secure the necessary long-term funding for full implementation. It will not be possible to achieve all long-term system objectives across all subject areas until the funding catches up with inflation, but it will also not be possible to achieve these objectives without making steady progress (at a pace affordable by current funding) in all subject areas over the next 30 years.

The process used to update budgets varied by category. The resulting budgets are found in the following table. Budgets are shown for each of the seventeen funding elements or project categories in the New Visions plan.

Performance Measurement

An overview of the update process for each is as follows, by program. The updated budget will be sufficient (in 2007\$) to achieve previously-adopted goals for pavement condition by functional class, bridge condition, system management, transit system condition, intermodal facility condition, and other quantitative performance measures viewed as essential to a sustainable, healthy transportation and land use system.

1. **Intermodal facilities:** Updated values reflect elements of the NYS High Speed Rail Task Force near-term plan; Amtrak station / intercity bus reconstruction and repair costs for Albany-Rensselaer, Saratoga Springs and Schenectady; port of Albany master plan

implementation; Albany International Airport master plan implementation; and Adirondack CP track upgrades. Overall, the intermodal budget is comparable to that of the previous plan.

2. **Transit infrastructure:** Updated values are derived from CDTA's Transit Development Plan, five-year capital plan and fleet replacement schedule and the NY5 Bus Rapid Transit plan. The budget will provide for urban, STAR, commuter and Saratoga Springs vehicles, garages and maintenance facilities and continuous deployment of BRT systems. The transit infrastructure budget is 38% higher than the previous budget.
3. **Transit service:** The New Visions plan continues to call for modest expansion of transit services (unless or until one of the "big idea" initiatives is desirable and feasible). New funding values are approximately 5% above current funding and 50% higher than the previous budget.
4. **ITS (Technology) and Traffic Infrastructure:** Working Group B examined ITS needs for the expressway system and suggested maintaining an ongoing investment at current levels.
5. **ITS (Technology) and Transit Operations:** Recognizing the importance of improved regional operations and traveler information systems, the new value is approximately double that of the previous value.
6. **Highway Rehab, Reconstruction and Redesign on the Priority Network:** CDTC performed detailed modeling on this program area. Additionally, the new values incorporate Working Group B's product recommending explicit reconstruction on the expressway system over the next thirty years. The financially constrained plan assumes resources sufficient to do routine repairs sufficient to maintain overall pavement condition on the priority system and achieve 1997 goals (originally for 2015) by 2030. Annual budget values increase by 76% over previous values to recapture lost conditions and partially address the need to reconstruct expressway pavement. Even at the increased funding levels, over half of the expressway system will be over 50 years of age without ever being reconstructed.
7. **Highway Rehab, Reconstruction and Redesign off the Priority Network:** Values for the 2030 plan are obtained from modeling. New values are approximately 38% higher than previous values.
8. **Bridge Rehab & Reconstruction:** Detailed modeling by NYSDOT Region 1 on the Interstate system and remainder of the state system provided a base estimate for bridge capital work. Estimates continue to include (updated) costs for Patroon Island, Batchellerville and other major bridges. Non-state costs were updated based on the new state system costs. In aggregate, the new bridge capital values are 9% higher than previous values.
9. **Highway and Bridge Maintenance:** The cost for maintaining 1995 base level activities has increased an estimated 25% due primarily to labor costs.
10. **Strategic Highway and Bridge Actions – CMS-based (capacity):** Individual project cost estimates are updated in the new values as are block funds for future congestion management system initiatives. The new values total less than \$9M annually, down 14% from previous levels.
11. **Strategic Highway and Bridge Actions – economic development and community compatibility.** Individual project cost estimates are updated in the new values as are block funds for future economic development / community compatibility initiatives. In

CDTC's conservative long-range plan, the new values total \$12 M annually for economic and community initiatives – even combined with CMS actions still a fraction of the system expansion expectations of other MPOs and well within reasonable expectations for funding. The new values are 41% higher than previous values.

12. **Supplemental Goods Movement Actions.** Previous values are increased by 40% to reflect increases in unit costs for construction.
13. **Supplemental Bike & Pedestrian Actions.** Previous values are increased by 40% to reflect increases in unit costs for construction.
14. **Supplemental Access Management Actions.** Previous values are increased by 40% to reflect increases in unit costs for construction.
15. **Supplemental Safety Actions.** Previous values are increased by 40% to reflect increases in unit costs for construction.
16. **Demand Management.** Previous values are increased by 25% to reflect increases in labor costs.
17. **Integrated Planning & Outreach.** Previous values are increased by 25% to reflect increases in labor costs.

New Visions 2030 Finance Plan
Regional Transportation Plan Budget by Element

			<i>previous</i>	<i>new</i>	
		Current Investment Levels	New Visions 2025 Full Implementation	New Visions 2030 Full Implementation	Update Approach
REGIONAL PROGRAMS¹					
1	Intermodal Facilities	31.900	41.095	41.600	new estimate
2	Transit Infrastructure	12.000	11.491	16.807	new estimate
3	Transit Service	60.000	41.860	63.000	inflate @ 50%
4	ITS (Technology) and Traffic Infrastructure	6.300	12.790	15.250	derived from WG B, TIP discussions
5	ITS (Technology) and Traffic Operations				
6	Highway Rehab, Reconstruction and Redesign -- Priority Network	55.000	87.805	148.500	new estimate from models and WG B discussions
7	Highway Rehabilitation & Reconstruction – Other	12.500	15.250	20.730	
8	Bridge Rehab & Reconstruction	55.100	82.100	89.100	new estimate from models
9	Highway and Bridge Maintenance	191.000	174.300	217.875	inflate @ 25%
10	Strategic Highway and Bridge Actions - - CMS-based (capacity)	17.400	10.277	8.939	updated projects, adjusted balance
11	Strategic Highway and Bridge Actions – Economic Development /Community Compatibility	9.500	8.712	12.286	
12	Supplemental Goods Movement Accommodations	14.800	3.665	5.130	inflate @ 40%
13	Supplemental Bike & Pedestrian Accommodations		2.618	3.670	inflate @ 40%
14	Supplemental Access Management Actions		0.500	0.700	inflate @ 40%
15	Supplemental Safety Actions		3.800	5.300	inflate @ 40%
16	Demand Management	0.500	1.600	2.000	inflate @ 25%
17	Integrated Planning & Outreach	2.600	3.610	4.500	inflate @ 25%
SUBTOTAL		468.600	501.473	655.387	

¹ All values are in millions of 2007\$, annually over 25 years, 2006-2030.