

**NEW VISIONS 2040 LONG-RANGE TRANSPORTATION PLAN
FOR THE CAPITAL DISTRICT REGION**

FINANCIAL PLAN SUMMARY

Prepared by the
Capital District Transportation Committee Staff
For Policy Board Review

June 1, 2017

----- CDTC's Planning Committee reviewed this document at its May 3, 2017 meeting and recommended the Policy Board approve release for public review and comment -----

HIGHLIGHTS OF THE NEW VISIONS 2040 FINANCIAL PLAN

- Federal law requires that New Visions 2040 Plan include a financial analysis that demonstrates how the recommendations can be implemented based on system level estimates of costs and reasonably expected revenues. Further, both costs and revenues must be expressed in year-of-expenditure (YOE) dollars to accurately reflect: (1) the anticipated revenues available to the region; and (2) the impact of inflation on the costs of labor and materials through 2040. These fiscal constraint requirements are critical to ensuring that the long-range plan is credible, and that it provides realistic expectations to what can be accomplished – not simply a wish list that has little chance of being advanced.
- This analysis was not included in the New Visions 2040 Plan that was adopted by the Policy Board in September, 2015. The attached financial plan should be considered an addendum to the 2040 Plan, and will require public review. The Financial Plan was derived from: (1) the financial analysis included in CDTC's New Visions 2040 Plan; (2) the budget review completed for the New Visions 2030 Plan; (3) CDTC's Infrastructure Task Force White Paper – Preserving, Managing, and Renewing Capital District Infrastructure; (4) CDTC's Bridge Preservation Report – Identification of Bridge Preservation Candidates, Treatments, and Costs for Locally Owned Capital Bridges; (5) NYSDOT's Draft Asset Management Plan (External Review Version); CDTC's Transportation Improvement Programs (since 2005); (6) Highway Condition Projection Model output; and other relevant data files and documents available to CDTC staff.
- CDTC's New Visions Plan is unique among metropolitan plans in comprehensively assessing annual funding requirements for seventeen capital, operating, maintenance, and planning budget categories. Additionally, the plan's strength draws from CDTC's commitment to achieve "steady progress" across all categories, even if funding levels fall short of those needed for full implementation of all New Visions recommendations. Even under short-term fiscal challenges, CDTC expressed preference for "diet" rather than "retreat". A diet in this context reflects a healthy concern for balance -- smaller portions and the elimination of excess. In contrast, "retreat" brings to mind the abandonment of goals – a situation which could arguably have devastating impacts for the region.
- Events since the adoption of the New Visions 2030 Plan are consistent with the range in funding scenarios anticipated for the 2005-30 period. Nothing that has occurred is sufficient cause for abandoning the reasonable, modest, balanced New Visions Plan, or the assumption that through peaks and valleys, fits and starts, federal, state, and local legislation will help meet the financial requirements of the Plan.
- Constructing, maintaining, and operating the public transit system, intermodal facilities, bicycle and pedestrian network, and street and highway system included in New Visions 2040 will cost an average of \$630 million each year between now and 2040. Federal, State, and local governments all contribute to the funding of the Region's transportation system, and that is expected to continue into the future. CDTC's budget analysis asserts that the 2040 Plan is fiscally balanced over time – but only if public funding increases regularly over the upcoming decades as it has done in the past. A reduced level of revenues would lead to serious declines in physical and service conditions, making even the most modest improvements difficult to accomplish.

NEW VISIONS 2040 FINANCIAL PLAN

DRAFT FOR CDTC POLICY BOARD REVIEW

Introduction

CDTC and its members have worked hard over many years to implement the New Visions Plan. To a greater degree than typical for MPOs, CDTC has linked the plan to implementation. Progress has been and continues to be made across all project categories. Continued dialogue and discussion of transportation and land use policy has reaffirmed the basic New Visions plan and budgetary priorities. New Visions program recommendations ranging from significant investment in pavement and bridge renewal to implementation of complete streets treatments and funding for integrated transportation and land use planning have been successfully instituted by CDTC. As a result, it is not necessary for CDTC to reinvent its budgetary approach. Rather, the focus in the New Visions 2040 finance plan work is on adjustments of budgets for individual elements, and a comparison of those funding requirements with reasonably anticipated revenues.

Discussion since the adoption of New Visions 2030 on “big idea and big ticket” initiatives has confirmed that implementation of regional greenways, fixed guideway transit system, broad-scale of managed expressway lanes, and the like, cannot fit into the region’s financially constrained long-range plan at the moment. Potential budgets for these and other initiatives are described in separate documents, but are not part of the official New Visions 2040 Finance Plan. Funding for these major undertakings would need to cover existing commitments before they could be considered for official status. Clearly, the ability of the Capital District to undertake new initiatives through the New Visions process is predicated on making the most out of current resources and preparing a compelling case if additional resources are required.

The budget update focused primarily on cost adjustments for some plan elements, there are specific conclusions for others, such as pavement, bridge, and transit. The following information is reflected in the New Visions 2040 financial plan and committed strategies and actions.

CDTC’s Planning Committee reviewed this document at its May 3, 2017 meeting, and recommended that the Policy Board approve release for public review.

Budgetary Update Process

The budgeting process involved three primary steps: (1) bringing unit costs up to a 2015-16 base level; (2) accommodating the contents of project commitments in each project category; and (3) adjusting estimates of existing and future anticipated financial revenues. Compared to previous updates, inflation is not expected to be a big issue like it was in the 1980s and 1990s. A key assumption in the implementation of the financially-constrained plan is that 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. A previous comparative analysis of MPO plans across the country suggests that CDTC’s New Visions planning process is one of the most conservative of

all those examined with regard to both highway and transit system expansion. In the past, CDTC's Planning Committee and Policy Board asserted that it would be unreasonable to anticipate that a region that continues to maintain economic health and growth will at the same time fall further behind in its already modest commitments.

The process used to update budgets varied by category. The budgets for each New Visions improvement category are shown in Table 1. An overview of the update process for each program area follows:

1. Intermodal Facilities: The budget includes continued investment at the Albany international Airport, the Port of Albany, and the region's three AMTRAK stations. Full financing is in hand for the reconstruction of the Schenectady rail station. Double tracking is underway. Livingston Avenue bridge rehabilitation, with secured ARRA funding, is expected in the planning period. The Port of Albany's wharf improvements have been completed. Publicly financed freight-related improvements are derived from CDTC's Freight Plan.
2. Transit Infrastructure: Updated values are derived from CDTA's five-year capital plan that includes a fleet replacement schedule, plans for BRT expansion in the Washington-Western corridor, and other actions. The budget provides for urban, STAR, commuter, and Saratoga Springs vehicles, garages, and maintenance facilities, and continuous BRT deployment. Funding fleet replacement is a continuous need that is difficult to address long-term.
3. Transit Service: Costs shown are for annual operation of CDTA fixed route, STAR and rural services, Northway Xpress service, etc. Constraints and reductions in operating resources continue to be an issue constraining service expansions. Costs reflect changes in service guided by CDTA's Transit Development Plan.
4. ITS Technology, and Traffic Infrastructure: CDTC's Regional Operations and Safety Advisory Committee examined ITS and other technology needs for the arterial and expressway systems, and recommended maintaining an ongoing investment at current levels for the traffic management center and traffic signal upgrades. Advanced traffic management, freeway traffic management, integrated corridor management systems are big ticket actions, and are not included in the budget.
5. ITS Technology and Transit Operations: Recognizing the importance of improved regional operations and traveler information systems, funding is continued at the New Visions 2030 level. Budget includes resources for signal upgrades and transit signal priority (TSP).
6. Highway Rehabilitation, Reconstruction and Redesign on the Federal-Aid System: CDTC staff completed detailed modeling on the local, and some modeling on the State portion. Values include explicit reconstruction of the expressway system by 2040. The financially constrained plan assumes resources sufficient to undertake routine repairs sufficient to maintain overall pavement condition, especially for the region's Interstate highways. Even at recommended funding levels, over half of the expressway system will be over 70 years old without ever being reconstructed.
7. Highway Rehabilitation on the Local System: This category reflects the requirements for on-going preservation of roads primarily under local jurisdiction. Conditions have not changed much since 2010. New Visions 2030 investment levels continued. Larger communities seem to be doing more with static budgets.
8. Bridge Preservation and Reconstruction: Major investment in Interstate bridges have been accomplished since the adoption of the 2030 Plan, including improvements to the Patroon Island Bridge, the Twin Bridges, I-87 Exit 4 bridges, and extensive maintenance of I-787 structures. Despite this investment, interstate bridge condition has declined. Preservation and

replacement of highway bridges on the State and local road systems comprise a substantial part of New Visions budget. Local bridge needs derived from the report Identification of Local Bridge Preservation Candidates, Treatments, and Costs. State analysis was not available; CDTC relied on NYSDOT's Asset Management Plan for guidance on state condition forecasting.

9. Highway and Bridge Maintenance: This category represents the largest commitment of transportation resources in the Region. Captured under this heading are all other ongoing NYSDOT and local transportation expenses, excluding capital projects and transit operating expenses. Included are street repair/patching, debris removal, grass mowing, snow removal, and other activities. The cost of maintaining base level activities has increased an estimated 15 percent primarily because of labor costs.
10. Strategic Highway & Bridge Actions – CMS/Capacity Based: Includes I-87 Exit 4/Airport Connector and South Troy Roadway. All other strategic linear projects (widening and new roads) have been completed. The new plan does not support increasing capacity by constructing new lanes or roads. Capacity work in the 2040 plan is limited to intersection and safety actions. The new values total less than \$4 million annually, down from previous levels.
11. Strategic Highway & Bridge Actions – Economic Development: In CDTC's conservative long-range plan, budget reduced to \$8M annually that will focus on complete streets, roundabouts, and right-sizing existing roadways. Even combined with CMS actions, still a fraction of the system expansion expectations of other MPOs, and still within reasonable expectations for funding.
12. Supplemental Goods (Freight) Movement: New estimate derived from new Freight Plan and discussions with freight advisory committee. Assumes allocation under the FAST Act's NHFP.
13. Supplemental Bike/Ped: Derived from CDTC's regional and local planning initiatives, especially Linkage program.
14. Supplemental Access Management: Since most of this work is accomplished through highway preservation and reconstruction work, the budget value is set to \$0.
15. Supplemental Safety: Derived from CDTC's and NYSDOT's safety planning initiatives. New values have been increased by 70 percent to reflect higher construction costs and increasing State and Federal program emphasis
16. Demand Management: CDTC is committed to implementing significant and effective demand management strategies. The New Visions process reinforced this need. CDTA was recently awarded \$2M in CMAQ funds to implement a bike share service for the region.
17. Integrated Planning & Outreach: An important theme of New Visions is integration of transportation planning considerations into the overall set of planning and development activities in the region. Budget is maintained at 2030 plan levels.

Fiscally Constraining the Plan

CDTC's regional plan must be fiscally constrained. This means that CDTC may not identify actions or projects as "committed" if it is not reasonable to anticipate that revenues will be available to advance the actions or projects at the intended time. If the necessary revenue is not already available in current funding streams, CDTC must document the compelling logic regarding how and why these revenues can be reasonably expected in the future.

The New Visions 2040 Plan is fiscally constrained on the same basis as have previous New Visions plans. Currently annual revenue totals roughly \$469 million. Revenue is expected to increase 2.5 percent annually over the life of the plan. Total 2040 annual revenue is expected to total roughly \$630 million under the full-implementation future:

1. The New Visions 2040 Plan only requires that, over time, fiscal resources keep pace with inflation and travel growth. This is the modest and reasonable assumption established in the first generation plan adopted in 1997 and remains the backbone of the financial plan for the 2040 Plan. While the 2040 effort demonstrated that funding is currently falling short, it is unreasonable to conclude that there will be a permanent funding shortfall leading to continuous and dramatic declines in system condition and performance. History has proven that funding support for vital transportation infrastructure is cyclical and that the public does not tolerate system declines indefinitely. The financial estimates assume that long-term patterns of funding prevail, even if specific fund sources (gas tax, user fees, tolls, leasing of facilities) changes over time.
2. The budget commitments in the 2040 plan are modest and conservative. In accord with adopted principles, emphasis is placed on system management and operations, coordinated land use and transportation planning, system preservation and reinvestment, and safety and clean communities initiatives. Discretionary system expansion budgets are modest, but necessary. It would be unreasonable to assume that there would be no intersection improvements, street connections, or new transit services over the next 25 years.
3. The budget maintains CDTC's 'steady progress' principle. For example, restoring pavement and bridge condition and improving the livability of communities through complete street treatments are both important, and implementation success is desired for both. It will not be possible to achieve long-term system objectives across all plan elements without making steady progress at a pace affordable by available funding in all areas over the next 25 years.
4. Unlike most MPOs, CDTC does not identify a specific project as committed unless and until real resources are identified and programmed. For example, it is CDTC's practice to not list 'hoped for' demo or earmark funds on the TIP. These funds are programmed only when real. Similarly, specific highway or transit projects are not shown in the New Visions plan unless they have been programmed. The distinction is real and assures fiscal constraint of the plan.

Estimating Reasonably Anticipated Revenues

A transportation plan or program is officially considered financially constrained when the federal government determines that it meets financial balancing regulations found in Title 23 and 49 U.S.C of federal law. These requirements hold that long-range and short-range transportation plans cannot propose to spend more money than reasonably forecast revenues can pay for. Not only is this balancing mandated, but it is also sound fiscal policy.

Projecting transportation revenues is an imprecise science, at best. Projections that assume no increase beyond current authorization or appropriation levels at the federal, state, or local level are necessarily incorrect. Funding has increased over the past 25 years. Projections that assume that funding will be available for all desired expenditures are also incorrect. Regional transportation plans in the 1970s made such projections and left metropolitan areas such as the Capital District without any meaningful guidance regarding difficult funding choices.

CDTC has attempted to avoid the pitfalls of either extreme with the following approach:

1. When the first generation of New Visions was developed, CDTC explicitly attempted to capture all public expenditures on the transportation system in the funding base. Growth in the total 'pot' is much easier to anticipate than growth in only one area, such as federal safety funding.
2. CDTC takes a broad perspective on revenue estimation. It believes that it is reasonable to anticipate that historic patterns of funding initiatives followed by funding lulls will continue. It believes that it is reasonable to anticipate that funding will cover constantly increasing unit costs of delivering services and maintaining facilities will eventually be secured. It believes that modest system expansion projects may be supported by 'earmarks', or categorical program initiatives.
3. CDTC has adopted a steady progress policy.
4. CDTC has determined that it is not reasonable to anticipate that resources will be in place to implement big ticket initiatives – unless clear progress is made in securing a financial package for such initiatives.

Overall Budget Conclusions

Table 1 demonstrates a fiscally constrained New Visions 2040 Plan.

Events since the adoption of the New Visions 2030 Plan are consistent with the range of funding scenarios anticipated for the 2030-50 period as documented in the 2030 plan document. Nothing that has occurred is sufficient cause for abandoning the reasonable, modest, balanced New Visions Plan or the assumption that – through peaks and valleys, fits and starts – federal, state, and local legislation will help meet the financial requirements of the plan. State funding is tight. Congressional inaction on dealing with diminishing Highway Trust Fund revenues is troubling, but the desire to find adequate funding does appear to have bipartisan support. The story is consistent with the budget assumptions of the 2030 Plan. The New Visions 2040 Plan thus does not require a significant revision to the long-term budget plan, only some adjustment to estimates of budget requirements for each plan category.

While it is reasonable to anticipate that funding will be available over the coming 25-30 years to carry out all elements of the New Visions Plan, it is imperative that CDTC's members work with all interested parties at the federal, state, and local level to explore prudent and timely actions to secure these funds. Discussion of big ticket initiatives must occur simultaneously with discussion of short-term budget gaps for the basics. It may be prudent to link the 'urgent' with the "desired" to elicit sufficient public support for legislative action to provide the necessary resources.

System Performance Conclusions

The majority of federal funding in the Capital District is spent on the preservation of roads and bridges. Over the last five years, more than \$350 million (federal, state, and local) has been invested in the region's federal aid roads and bridges, including resurfacing, rehabilitation, or reconstruction of about 300 lane-miles of pavement, and repair or reconstruction of 57 bridges and large culverts. Notable bridge projects include \$140 million for the I-90 Patroon Island Bridge, \$30 million for Northway bridges, and \$63 million for various I-787 structures.

While the budget update has focused primarily on cost adjustments for some plan elements, there are specific conclusions for others, such as pavement, bridges, and transit. The following narrative summarizes the key findings reflected in the New Visions 2040 Financial Plan and committed actions and strategies.

Pavement

A well-connected street and highway system, maintained in good condition, is critical to the region's economy. With a current replacement value exceeding \$30 billion, preserving the system of roads so that they last for generations and while meeting changing needs remains a top priority for all levels of government. Years of wear and tear, steady traffic growth, an explosion of heavy trucks, extreme weather conditions, and delayed maintenance in some communities because of tight budgets and increasing construction costs have made it difficult to substantially improve Capital District roadways.

As reported in CDTC's *New Visions Infrastructure Task Force White Paper*, federal-aid roads held their own between 2005 and 2013, for the most part. At the risk of overstating subtle trends, the data indicate that slight declines in locally-owned federal-aid eligible pavement conditions are more than balanced by modest improvements in overall State pavement conditions. Little progress has been made toward reaching New Visions goals – except for roads on the National Highway System (NHS). The data suggests that the NHS system has reached the goal set for this important class of roads. Importantly, the region's Interstate system, as a class of NHS roads, has exceeded its goal for fair/poor pavements – at least for the short term. Because most of the region's interstate mileage is now operating well beyond its expected lifespan, it will require reconstruction by 2040 in order to keep it in optimal condition.

On another positive note, counties and local governments seem to be doing a fairly decent job of keeping local non-federal-aid pavements in serviceable condition. Pavement conditions on these facilities (70 percent of the total lane-miles in the region) are similar to federal-aid roads, with the total percentage rated fair or poor holding at roughly 50 percent since 2004. Even though the region's local roads carry less than 25 percent of regional VMT, they are critical pieces of the region's highway system, providing necessary links to the State highway system.

Long-term needs have been evaluated using CDTC's Highway Condition Projection Model (HCPM). CDTC's analysis assumes that a budget-driven, lower-cost repair strategies are expected to be in place over the long-term for most surface arterials and collectors (the non-interstate system), but assumes that significant portions of the expressway system will be reconstructed over the plan design period. The New Visions 2040 Plan conservatively estimated pavement preservation needs alone to total between \$55-90 million annually over the next 20 years. The long-term budget inclusive of expressway reconstruction was calculated to total about \$139 million annually. CDTC's HCPM suggests that New Visions pavement goals can be met or exceeded if federal investment levels established in the FAST Act, together with historic state and local investment, continue through 2040. On the other hand, if available revenues remain at current TIP levels, then pavement condition goals, even for the NHS system, would decline from current conditions.

Bridges

There are 1,087 bridges in the Capital District. While the majority are owned and maintained by NYSDOT and Thruway, the region's counties, cities, and towns are responsible for 389 structures. Based on recent inspection reports, about 355, or 33 percent, are structurally or functionally deficient. A detailed assessment of regional bridge condition is set forth in CDTC's *Infrastructure White Paper*.

CDTC staff reviewed bridge condition by ownership and compared current known conditions to the conditions at the time of the New Visions 2030 update and the goals of the Plan. Despite continued investment in bridge repair and replacement, overall conditions worsened somewhat, consistent with forecasts developed in the 2030 Plan, giving back some of the gains achieved in prior years toward the long-term bridge condition goals of the plan. Unlike NHS pavements, NHS bridges are in tough shape with 197, or 44 percent, of the region's 452 NHS bridges categorized as deficient. Interstate bridges were in somewhat better shape than other NHS structures, but deficient bridges did increase since 2006. County and municipal bridge needs remain substantial, with deficient bridges climbing three percent since 2006.

Low cost preservation treatments could go a long way in improving the overall condition of federal-aid eligible bridges. NYSDOT's Asset Management Plan suggests substantial bridge condition improvement will be challenging. CDTC's bridge analysis -- based on CDTC's Local Bridge Preservation Study and information summarized NYSDOT's Asset Management Plan for State-owned facilities -- and (full-implementation) budget presented in Table 1 is assumed sufficient only to modestly improve overall bridge system conditions, approaching the modest 20 percent goal established by the Infrastructure Task Force in 1997. It also provides the resources to repair or reconstruct most structurally deficient Interstate bridges. The "reduced or current funding" budget would not be sufficient to preserve existing overall system condition -- the number of deficient bridges would grow to between 25 – 48 percent, an unacceptable outcome.

Public Transit

Information on the region's public transit capital needs were derived from CDTA's *Five Year Capital & Operating Plan*.

CDTA capital investment has focused first on existing assets and state-of-good-repair, and has looked first to cost reduction before adding funding. CDTA has implemented a phased plan of 15-20 new bus purchases and 4-5 paratransit vehicles per year in order to continually invest in fleet quality. Given that buses and stops are the major public interface, a more aggressive annual budget for renewal of shelters and amenities has also been put in place. Some of the focus of recent capital investment beyond maintenance of existing services and facilities has been on the vehicles, stations, and technology for the Bus Rapid Transit (BRT) program. CDTA's vision for a 40-mile BRT system progressed as the Washington/Western Purple Line was accepted into FTA's small starts program, and is a key part of the Harriman Campus revitalization plan. Plans are progressing for a transit center at Crossgates Mall. Planning continues on the River Corridor Blue Line. CDTA has announced the Navigator, their new fare collection system that will be the nation's first simultaneous rollout of smart card and mobile payment platforms.

In recent years, the CDTA capital program budget has ranged from \$8.3 to 20.6 million annually, depending on needs programmed for investment in a particular year. Major facilities reinvestment or

purchases account for year-to-year fluctuations. The average projected yearly capital need over the next five years ranges between \$35-40 million, creating a budget gap in the short-term. A core budgetary component, the fleet replacement program alone, is valued at roughly \$12 million per year. Increasing pressure on operating costs and revenue uncertainties continue to be an issue constraining service improvements.

In addition, bigger budget transit initiatives like fixed guideway and quantum increases in transit service remain outside the range of reasonably anticipated revenues. The “big idea” initiative discussions would need to lead to a change in the financial landscape for these to be incorporated into the plan.

Intermodal & Freight Facilities

CDTC’s New Visions Plan is unique in capturing the public cost of providing and improving regional intermodal facilities. These include three AMTRAK stations and nearby intercity bus terminals, the Port of Albany, and the Albany International Airport. CDTC is also unusual in the extent to which intermodal and freight needs are incorporated into its plans and programs. CDTC has been involved in funding critical initiatives at each of the rail stations, the Port, and Airport. Major capital investment at the Rensselaer Rail Station, Saratoga Springs Station, and the Albany International Airport were complete prior to the adoption of the New Visions 2030 Plan. Investment in these facilities, especially the Airport has continued. Plans for a new Schenectady Rail Station are in place with full funding in hand. While some work remains, the Albany-Schenectady Double Tracking project is nearing completion. Port of Albany Wharf improvements were complete with the support of ARRA funding – the only MPO in the State to offer such support for port projects.

CDTC took care to include only those elements which could reasonably be expected to be financed over the planning horizon. Under the New Visions 2040 Plan, the total budget of \$46 million per year is comparable in scale to the nominal value in previous New Visions budgets.

Congestion Management and Community Livability/Economic Development

Implementation of the set of major projects first described in the 1992-97 Transportation Improvement program is nearing completion. Projects completed include Albany Shaker Road, Watervliet Shaker Road, Slingerlands Bypass Extension, Balltown Road, and Phase 1 of the I-87 Exit 3/4 project (reconstruction of the existing Exit 4 bridge). Phase 2 of the I-87 Exit 3/4 project – construction of the Airport Connector has been fully funded at \$50 million.

With the completion of the I-87 Exit 3/4 and South Troy Roadway projects, the need for other major capacity work is limited. The 25-year budget for other discretionary capacity projects is intentionally modest, with reasonably anticipated revenues substantially dipping on an annual level from levels in the New Visions 2030 budget. Over the period through 2040, congestion management, community livability (complete streets), and economic development actions are budgeted at only three percent of the total plan budget. While the 25-year budget totals \$300 million for these categories, this level of system expansion is extremely limited. Many metropolitan areas are routinely grappling with individual projects exceeding the billion dollar budget level.

Table 1
New Visions 2040 Plan Budget by Element
(Annualized Cost in Millions)

REGIONAL PROGRAMS		Historic Investment Levels	Current Investment Levels	Previous New Visions 2030 Full Implementation	New Visions 2040 Implementation		Update Notes
					Reduced Funding	Full Funding	
1	Intermodal Facilities	31.9	31.0	41.6	25.0	40.0	new estimate
2	Transit Infrastructure	12.0	12.0	16.8	15.0	21.0	new estimate
3	Transit Service	60.0	60.0	63.0	72.0	72.0	inflated to reflect increased operating cost
4	ITS (Technology) and Traffic Infrastructure	6.3	2.8	15.2	4.5	6.0	Derived from regional operations working group and TIP discussions. Reflects reduced need for TMC under autonomous vehicle future.
5	ITS (Technology) and Traffic Operations						
6	Highway Rehab, Reconstruction and Redesign – Priority Network	67.5	23.3	168.2	60.0	139.0	New estimate from infrastructure model results, infrastructure task force and ADA working group discussions.
7	Highway Rehabilitation and Reconstruction – Other						
8	Bridge Rehab and Construction	55.1	33.5	89.1	72.0	95.0	Local need based on CDM bridge study. State need developed from info reported in NYSDOT's draft Asset Management Plan
9	Highway and Bridge Maintenance	191.0	191.0	217.8	218.0	218.3	Inflated to reflect increase in labor and material cost
10	Strategic Highway and Bridge Actions – CMS-based (Capacity)	17.4	1.7	8.9	3.7	4.0	Updated projects. Removed I-90 Exit 8 Phase 2 from the program. Current budget focuses on complete street and roundabout
11	Strategic Highway and Bridge Actions – Economic Development/ Community Capability	9.5	0.4	12.3	2.0	8.0	
12	Supplemental Goods Movement Accommodations	14.8	0.0	5.1	2.5	6.0	New estimate based on Freight Plan and discussions with the Freight Advisory Committee. Assumes allocation under the FAST Act's NHFP
13	Supplemental Bike and Pedestrian Accommodations		5.8	3.7	3.0	6.0	Updated based on discussions with Bike/ped Advisory Committee
14	Supplemental Access Management Actions		0.0	0.7	0.0	0.0	Incorporated into pavement preservation and reconstruction work
15	Supplemental Safety Actions		2.6	5.3	3.0	9.0	Reflects increased focus on safety through the State's Safety Action Plan
16	Demand Management	0.5	0.5	2.0	0.7	3.0	Supports TDM-related transit
17	Integrated Planning and Outreach	2.6	1.0	4.5	1.5	3.0	Key aspect is development of safety management system for local roads
Total Plan Cost		468.6	362.2	655.4	490.9	630.0	
Expected Revenue				655.4	490.9	630.0	

Notes:

- 1. This table groups the various New Visions 2040 actions into categories of regional programs and specific major investments to facilitate estimating financial need. Some categories include activities outside of CDTC's realm of highway and transit projects. For example, category 9 – highway and bridge maintenance and operations – captures ongoing NYSDOT and local transportation expenses excluding capital projects. Included in the category are street repair, grass mowing, snow removal, and other activities of state and local highway departments. This category is the single largest commitment of transportation resources in the region. Category 3 – transit service – includes local costs that overmatch federal resources including STOA and local mortgage tax receipts.*
- 2. Two budgets were prepared. The 'reduced funding scenario' is based on recent reductions in TIP federal-aid and State Dedicated Fund (SDF) allocations to the region. The 'full funding scenario' is consistent with expectations that the support for continued governmental responsibility for transportation at the federal level will remain strong, a principle articulated in the previous New Visions 2030 budget process. The reduced funding scenario will have serious negative impact to the region's pavement and bridge infrastructure.*
- 3. The approach to budgeting is policy-centered, focusing on CDTC's commitment to a wide range of initiatives without being wedded to a single, inaccurate estimate of costs and funding availability. It is dynamic in its ability to handle changes in funding while also providing a basis for any effort to increase levels of either dedicated or flexible funds. It also places appropriate attention of all elements of the plan because of their inter-relationships.*
- 4. The budgets in the table maintain CDTC's steady progress principle, even under a constrained financial future. Under constrained budgets, preserving the existing transportation system – both highway and transit -- has a higher priority than making improvements and additions. However, it is appropriate to assume some amount of highway improvement, bike accommodation, or complete street re-design will be included in CDTC's capital program even if budgets are reduced from historic levels. Adherence to CDTC policy to make comparable progress across all improvements, steady and reasonable progress is possible at current, reduced funding levels.*
- 5. All values in the table are expressed as annualized millions of dollars. Both cost and revenues are expressed in year-of-expenditure (YOE) dollars to accurately account for the anticipated revenues available to the region and the impact of inflation on the costs of materials and labor to implement projects through 2040. Data used to estimate future inflation in transportation costs was obtained from NYSDOT. NYSDOT uses tabulations from HIS Global Insight to estimate future project costs. For this effort, the annual increase in costs through 2040 is estimated to be 2.36 percent.*
- 6. Because transportation revenues draw from federal, state, and local taxes and user fees as well as private developer resources, projecting revenues is a difficult and risky undertaking. Future revenues are related to not only to levels of future transportation demand and overall economic growth, but also to public policy. While there is broad support for strong continued governmental responsibility for transportation, the details concerning the relative funding responsibilities of the federal, state, and local governments are likely to be adjusted in coming years. Consequently, it is extremely difficult to project the resources that can be expected to be available for new initiatives. Even though uncertain, revenue is expected to follow historic trends consistent with estimates developed under the previous New Visions 2030 update. Additional examination of future revenue sources will be undertaken in preparation of the next long-range plan update scheduled for 2020.*
- 7. On balance, it appears that the revised plan's reach is similar to the reach of New Visions 2030. CDTC can assert that the 2040 plan is fiscally balanced over time – but only if public funding increases regularly over the next 25 years as it has in the past. An essentially flat level of revenue would lead to serious, unacceptable declines in physical and service conditions, and would make even the most modest improvements difficult to accomplish.*