

LRP-5 - Approve Financial Assumptions

Description

At this key decision information from the Programming / Fiscal Constraint Phase is introduced into the LRTP decision making process. This information includes potential revenue sources, a methodology for identifying costs of individual projects, and acknowledgement of restrictions and requirements associated with each funding source. In order for the adopted LRTP to meet the fiscal constraint requirement, this information must be approved by the decision makers as the basis for the LRTP development.

There is information developed in prior key decisions that informs this step. There is essential information provided from PRO-1 and PRO-2 at this key decision.

Purpose

To reach agreement on potential revenue source, the restrictions and requirements for allocating revenue and the methodology for identifying costs so that scenarios can be fully considered.

Outcome

Approved project cost methodology and revenue sources for evaluation and comparison of scenarios.

Partner	Role Type	Description
MPO	Decision Maker	Approves revenue sources and project costs that are reasonable and reflect fiscal constraint.
FHWA/FTA	Advisor	Ensures the fiscal constraint requirement is met and funding is used appropriately.
State DOT	Advisor	Ensures assumptions of anticipated revenue is consistent with state perspective.
Resource Agency	Advisor	Advise that data on funding and long-term management options and cost data associated with ecosystem crediting is considered. Advise if conservation and mitigation spending is planned for in the LRTP and STIP.
Public Transportation Operator(s)	Advisor	Ensures assumptions of anticipated revenue is consistent with transit perspective.

Policy Questions

Questions are a way to elicit information and to validate that the information has been considered. The partners should discuss the listed questions to ensure a broad array of interests is considered at a key decision. Discussions arising from these questions support collaborative decision making.

Questions Partners Discuss

Questions about purpose and roles

- Does the consideration of specific funding resources require additional sharing of decision making that is not currently in place? For example, with a private partner.

Questions about stakeholders, including modal and operational partners

- Do stakeholders, modal and operational partners agree on the inclusion of innovative financing options and sources of revenue?

Questions about the transportation process supporting the decision

- Are formal agreements (for example MOA/MOU, contracts, loan agreements, pre-development options, etc.) necessary to ensure funding availability?
- Are the methodology and documentation clearly stated so that it can be easily understood by all?
- Are there any alternative revenue and finance sources (e.g., tolls or user fees)?
- Do any of the funding resources require action outside of the transportation decision making process?
- Have all funding sources for bicycle and pedestrian improvements been identified, not just the most popular sources such as the Transportation Alternatives Program (see http://www.fhwa.dot.gov/environment/bicycle_pedestrian/guidance/misconceptions.cfm)? Have private sources been explored?
- Have all reasonably foreseeable funding sources and associated requirements and restrictions been identified?
- Have funding sources and funding needs been identified for operational improvements and to address operational goals?
- How are the costs associated with bicycle and pedestrian improvements estimated, including those that are part of larger projects?
- How are the costs associated with operations and maintenance estimated? What revenue sources have been identified for these costs?
- Is there interest in exploring P3 as part of this process?
- What data are available from past fiscal analyses regarding availability of funding and revenues and how have these changed since the last plan?
- What eligibility criteria should be considered for private sector stakeholders to invest in specific projects?
- What is the estimated funding over the life of the plan from these sources ?
- Which transportation projects/deficiencies could attract private sector investment?

Questions about other phases

- What is the current funding in the TIP and the anticipated future funding from existing sources?

Questions about non-transportation sectors/processes

- Are the proposed GHG reduction strategies expected to generate new sources of revenue to support plan improvements? If so, how will these revenues be shared between partner agencies?
- Are the revenue sources broad enough to allow consideration of transportation and non-transportation solutions to address our vision and goals?
- Are there any grants or funds available from other public agencies like HUD, EPA, etc.?
- Are there funding programs that target GHG-reduction strategies?
- Does the methodology take into consideration the cost of ecological conservation, restoration and mitigation?
- Does the methodology take into consideration the potential cost of any displacement of residents and businesses, mitigation of adverse economic impacts to environmental justice populations, and any additional economic costs?
- Have freight stakeholders identified potential additional funding options?
- Is there information associated with an ecological crediting strategy that can inform the cost of mitigation?
- Is there information from other similar projects in the region or elsewhere that can inform the cost of mitigation?
- What would be the impact of GHG reduction strategies that involve financial incentives (e.g., for use of alternative fueled vehicles, higher density development supporting smart growth, etc.)?

Stakeholder Inputs

'Questions to Gather Stakeholder Interests' allow staff to determine which stakeholders have interests at a key decision and to collect those interests for partner consideration. 'Questions to Incorporate Stakeholder Interests' ensure the interests of stakeholders are included in the decision. For more help with stakeholder collaboration visit the Stakeholder Portal

Questions to Gather Stakeholder Interests

- None

Questions to Incorporate Stakeholder Interests

- Are the identified revenue sources; funding restrictions and requirements; and project cost methodology presented so that stakeholders can clearly understand this information?

Data

The following is a list of data needed to support the key decision. Practitioners collect this information for decision makers to consider.

Supporting Data for the Key Decision		
From other phases of transportation decision making	Long Range Planning	No Specific Data.
	Programming	Analysis associated with potential revenue from outside sources including taxes and partnerships
		Budget and revenue information within jurisdictions
		Data from research on similar regions to inform methodology approaches
		Inflation adjustments to consider
		Methods used for cost estimation at the state level and from previous studies
		Operating and maintenance cost for system (other than public transportation)
		Outside agreements that impact resource availability
		Potential partners that may support/provide funding
		PRO-1: Identified revenue sources with requirements and restrictions
		PRO-2: Methodology for developing project costs and revenue allocation
Trend line data on cost estimating and cost over-runs where available.		
Corridor Planning	No Specific Data.	
Environmental Review	No Specific Data.	
From other sectors and processes	Land Use	No Specific Data.
	Transportation Conformity	No Specific Data.
	Natural Environment and Implementing Eco-Logical	Data generated through the ecological planning process around how conservation and restoration actions can be funded in advance of transportation projects, as well as for long-term management.
	Capital Improvement	Infrastructure plans and financial resources that have been identified for specific capital improvements in order to validate consistency with restrictions and requirements established in the capital improvement plan.
	Safety and Security	No Specific Data.
	Human Environment	No Specific Data.
	Economic Development	Funding and financing options.
	Greenhouse Gas Emissions	List of funding sources and eligibility criteria
	Freight	Funding and financing options supported by freight stakeholders
From the transportation technical process supporting this key decision	Bridge / culvert replacement costs / pavement / lighting	
	Eligibility criteria for private sector partners who may provide funding	
	Estimates of revenues expected from proposed strategies or projects (e.g., revenues from toll roads)	
	Functional classification of roads in the region related to preliminary design parameters	
	ITS financial support	
	Lifecycle projections	
	Operating and capital costs for public transportation and other demand management strategies	
	Operations stakeholders costs to support transportation	
	Per lane mile cost for highway improvements	
	Right of way costs	
	Snow removal cost, where appropriate	
	Transportation Management Center and /or operating cost	
	Bicycle and Pedestrian Funding Opportunities: US Department of Transportation, Federal Transit, and Federal Highway Funds	
	Bicycle and Pedestrian Funding, Design, and Environmental Review: Addressing Common Misconceptions	
	Costs for Pedestrian and Bicyclist Infrastructure Improvements <ul style="list-style-type: none"> • Pedestrian and Bicycle Information Center • Pedestrian and Bicycle Safety Guide and Countermeasure Selection Systems 	
From stakeholder collaboration	No Specific Data.	
From public private partnership	No Specific Data.	

Links to Decisions

This table identifies how a key decision is connected to other key decisions. The linkages are a two-way transfer of information. Understanding and applying these linkages means that partners will recognize how a decision will impact other specific key decisions. Recognizing that the transportation processes are linked will: (1) encourage practitioners to produce information that can be used later and (2) remind them to look at information from previous key decisions.

linkages to other phases of transportation decision making

Key Decision	What is Linked?	Purpose of Linkage
From Programming		
PRO-1 - Approve Revenue Sources	Identified revenue sources with requirements and restrictions	To support fiscal constraint assumptions for the L RTP
PRO-2 - Approve Methodology for Identifying Project Costs and Criteria for Allocating Revenue	Methodology for developing project costs and revenue allocation	To support fiscal constraint assumptions To provide financial assumptions for consideration in scenario analysis
To Corridor Planning		
COR-5 - Approve Evaluation Criteria, Methods and Measures	Financial assumptions	To inform the evaluation criteria, methods and measures in corridor planning.

Examples

In-depth case studies of successful practices in collaborative decision making were used to develop the Decision Guide. Links in this table point to a specific paragraph or section of a case study that supports a key decision. It is not necessary to read through an entire case study to find the example; however, full versions are available in the Library.

PlanWorks Case Study Examples

- I-5 Beltline Interchange Plan - Using Community Values as Performance Measures

Other Examples

- Fort Collins Bicycle Network (Fort Collins, Colorado)
- Hawaii Statewide Pedestrian Plan Section 6.2 Funding Strategies

Integrated Planning

Integrated Planning looks at the interaction between the transportation decision making process and other processes. Considering these inputs will ensure that important values and goals outside the transportation process are recognized and considered. For a full understanding of a specific process and how it influences transportation decisions, visit Applications.

Process	Integration Type	Integration Description
Land Use	None.	None.
Transportation Conformity	None.	None.
Natural Environment and Implementing Eco-Logical	Data Between IEF Step 1 - Build & Strengthen Collaborative Partnerships & Vision and LRP-5	IEF Sub-step 1f is "Initially explore funding and long-term management options, how conservation and restoration actions can be funded in advance of transportation projects, as well as for long-term management." Data generated through this process should inform the financial assumptions in the LRP. How will advance mitigation be paid for? This data was collected at LRP-1 and will also be used at PRO-1.
	Data From IEF Step 6 - Develop Crediting Strategy	If a crediting strategy has been developed, there could be data available associated with the costs of mitigation credits. This data should inform financial assumptions in long range planning.
Capital Improvement	Data	Infrastructure plans and financial resources that have been identified for specific capital improvements in order to validate consistency with restrictions and requirements established in the capital improvement plan.
Safety and Security	None.	None.
Human Environment	None.	None.
Economic Development	Data	Funding and financing options that have been identified for projects that offer economic development benefits.
Greenhouse Gas Emissions	Data	Information about potential funding sources and eligibility criteria or partners which may provide funding to inform the benefit/cost analysis during scenario evaluation.
Freight	Data	Funding and financing options that may be supported by freight stakeholders.
Bicycles and Pedestrians	Data	Funding, financing options, and cost data that have been identified for bicycle and pedestrian projects and maintenance, including those that area portion of a larger project.
		Cost savings of incorporating on-road bike infrastructure during routine resurfacing as compared to standalone projects.

Special Topics

This table provides an overview of the relationship between a key decision and individual special topics. A special topic may be an external process, a new regulation, or any emerging issue requiring collaboration. For a full understanding of a specific topic and how it influences transportation decisions, visit Applications.

Key Decision Relationship to Other Topics

Topic	Description
Public-Private Partnerships	Identify Potential P3 Revenue Sources - Explore potential sources of funding and revenue, along with eligibility criteria for private sector partners who may provide funding. Gather input from P3 experts and the state/MPO office that deals with P3, if one exists.
	Analysis Transfer - Determine if any project deficiencies could be potential opportunities for private sector investment.
Planning and Environment Linkages	Identify Potential Revenue Needs and Resources - Provide information about the full lifecycle needs of the transportation system including personnel to support ongoing system management.
	Data Transfer - Information to support the full cost and revenue benefits of incorporating operational improvements.
Visioning and Transportation	Approve Indicators and Commitments - Identify commitments made in visioning and their relevance to the long range plan
	Data Transfer - Relevant commitments to PRO 1.