

**2009-2012 TRANSPORTATION IMPROVEMENT PROGRAM
FOR SOUTHWESTERN PENNSYLVANIA**

APPENDIX 1

**FINANCIAL PLAN FOR THE TITLE I
HIGHWAY PROGRAM**

Appendix 1. 2009-2012 TIP Financial Plan for the Highway Program

Federal law requires that the MPO, public transit agencies and State cooperatively develop estimates of funds that are reasonably expected to be available to support program implementation. MPOs are then required to balance the programmed costs in their TIPs at the level of anticipated revenues. To produce a fiscally constrained TIP, the MPO first considers the projects in the existing program that already have funding commitments. After updating project costs and schedules for the committed projects, the MPO may consider other projects eligible for federal transportation funding. The MPO finalizes the proposed program by prioritizing the projects and balancing the overall program costs to the estimate of available revenues.

The documentation of the estimate of available revenues in the Commonwealth of Pennsylvania is developed in compliance with the federal regulations by PennDOT in coordination with its transportation partners (MPOs and RPOs from across the state). It is based on a cooperative planning and programming process that was pioneered in the 1999 TIP and refined during each subsequent TIP update. In its guidance document, *Pennsylvania's 2009 Transportation Program Financial Guidance* (2009 Financial Guidance), PennDOT has established a set of formulas to ensure equitable distribution of anticipated Title I (highway) funding. These agreed upon formulas consider criteria such as roadway lane miles, vehicle travel, bridge condition, air quality attainment status, percent of urban population, and accidents at rail-highway crossings. The 2009 Financial Guidance contained in Appendix A is hereby incorporated by reference in Appendix 1 of the 2009- 2012 TIP. SPC's planning partners received and reviewed the Financial Guidance document during the fall of 2007 through the Transportation Technical Committee and it was used in the development of the Title I Highway Program.

The 2009 Financial Guidance and the SPC TIP Financial Plan for the Highway Program (this appendix) provide the basis for revenue estimates for the Highway Program (Title I Surface Transportation Program). For the Transit Program (Title III Federal Transit Act), the funding process is identified in the "Transit Financial Capacity Analysis" that is part of Appendix 3. The allocated funding includes two main categories: Formula Funding and Non-Formula Funding, awarded based on specific procedures for each program area.

Formula Funding is distributed as follows:

Highway funds are allocated based on an Urban/Rural funding distribution:

- Flex \$25 million per year to transit statewide.
- Reserve \$25 million per year for economic development opportunities statewide.
- Twenty percent of the balance is reserved for distribution by the Secretary of Transportation to offset impact of high priority projects or programs ("spikes") which are beyond a region's allocation.
- The remainder is distributed to urban and rural regions based on the average of

those regions' population, lane miles, and vehicle miles of travel.

- Within urban regions the remaining funding is further subdivided based on lane miles and vehicle miles of travel.
- Within rural regions the remaining funding is further subdivided by lane miles.
- Bridge funds are allocated based upon the square feet of deck area of deficient bridges in each region.
- Surface Transportation Program-Urban (STU) funds are allocated to each region based on federal formulas.
- Congestion Mitigation and Air Quality (CMAQ) funds are allocated based on federal factors that take into account each region's air quality classification and population within the areas affected by air pollution.
- Highway Safety Improvement Program (HSIP) funds are allocated to each region based on lane miles, vehicle miles traveled, fatalities and reportable crashes.
- High Risk Rural Road Program funds are distributed through the HSIP formula.
- Transportation Enhancements Program (TE) funds are distributed on the basis of population (80 percent) and land area (20 percent). Safe Routes to School funds are distributed through the Transportation Enhancements Program formula.
- HSIP-Rail/Highway Safety funds are allocated to each region based on the number of grade crossings and rail/highway crashes.

Non-Formula Funding is distributed as follows:

- PennDOT Interstate Maintenance Program. Federal Interstate Program funds and selected portions of National Highway System and Bridge Program funds that are related to the Interstate System are set aside at the state level to fund interstate maintenance projects. PennDOT selects these projects based on the roadway and bridge condition of the Interstate System statewide.
- Special federal funding (SXF) includes funds that are earmarked for specific projects in ISTEA, TEA-21, SAFETEA-LU, annual federal Appropriation Acts or other federal legislation. These funds are legislatively determined.
- Federal Interstate Completion (FAI) funds may only be used to complete sections of interstate highway defined in the most recent Interstate Cost Estimate.
- Appalachia Development Highway (APD) funds may only be used for capital improvements on routes which have been designated as Appalachia highway corridors and which are included in the most recent Appalachia cost estimate.
- \$25 million per year for economic development opportunities statewide.
- \$25 million per year for flexing to transit in conjunction with enactment of Pennsylvania Act 3 of 1997.
- Twenty percent of the highway funding for distribution by the Secretary of Transportation to offset impact of high priority projects or programs ("spikes") which are beyond a region's allocation.

The following table demonstrates the fiscal constraint of SPC's Highway Program. It presents a side-by-side comparison of revenue estimates and project costs for each

year of the 2009-2012 TIP and for each type of funding. The estimated revenues and the project costs for the SPC program are fiscally balanced. PennDOT has assured the statewide planning partners that the year-to-year totals in the State TIP (STIP) balance exactly and that it is sufficient that the year-to-year totals for SPC are very nearly balanced for the 2009-2012 TIP.

2009-2012 Transportation Improvement Program for Southwestern Pennsylvania
FINANCIAL SUMMARY

| SPC REGION | 2009 | | 2010 | | 2011 | | 2012 | | As of: 7/11/2008 | | |
|---|----------------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|---------------------------------|------------------------|--------------------|
| | Year 1 Revenue Estimate | Year 1 Project Costs | Year 2 Revenue Estimate | Year 2 Project Costs | Year 3 Revenue Estimate | Year 3 Project Costs | Year 4 Revenue Estimate | Year 4 Project Costs | Total Revenue Estimate | Total Project Costs | Difference |
| | Base Funds | | Base Funds | | Base Funds | | Base Funds | | Base Funding Total | | |
| Federal Highway Program | 71,082,000 | 58,726,640 | 74,140,000 | 60,405,813 | 77,317,000 | 66,668,634 | 80,623,000 | 64,464,249 | 303,162,000 | 250,265,336 | 52,896,664 |
| State Highway Program | 37,473,000 | 37,182,201 | 37,238,000 | 34,888,001 | 36,588,000 | 34,488,000 | 35,913,000 | 33,813,001 | 147,212,000 | 140,371,203 | 6,840,797 |
| Subtotal - Highway Progr. | 108,555,000 | 95,908,841 | 111,378,000 | 95,293,814 | 113,905,000 | 101,156,634 | 116,536,000 | 98,277,251 | 450,374,000 | 390,636,539 | 59,737,461 |
| Federal Bridge Program | 100,822,000 | 114,347,115 | 104,855,000 | 122,423,688 | 109,049,000 | 123,731,970 | 113,411,000 | 134,153,502 | 428,137,000 | 494,656,275 | -66,519,275 |
| State Bridge Program | 52,406,000 | 52,756,000 | 52,632,000 | 52,635,473 | 52,560,000 | 52,402,517 | 52,483,000 | 52,412,808 | 210,081,000 | 210,206,798 | -125,798 |
| Subtotal - Bridge Progr. | 153,228,000 | 167,103,114 | 157,487,000 | 175,059,160 | 161,609,000 | 176,134,487 | 165,894,000 | 186,566,311 | 638,218,000 | 704,863,073 | -66,645,073 |
| Subtotal - TIP Highways & Bridges | 261,783,000 | 263,011,955 | 268,865,000 | 270,352,975 | 275,514,000 | 277,291,121 | 282,430,000 | 284,843,561 | 1,088,592,000 | 1,095,499,612 | -6,907,612 |
| STP-Urban (STU) carryover | 20,785,000 | 22,779,245 | 21,617,000 | 17,782,496 | 22,481,000 | 18,446,472 | 23,381,000 | 18,752,251 | 88,264,000 | 77,760,465 | 10,503,535 |
| Safety (HSIP) | 9,041,000 | 9,040,999 | 9,403,000 | 9,403,000 | 9,779,000 | 9,779,000 | 10,169,000 | 10,169,000 | 38,392,000 | 38,392,000 | 0 |
| CMAQ | 24,334,000 | 24,334,000 | 25,308,000 | 25,308,000 | 26,320,000 | 26,320,000 | 27,373,000 | 27,373,000 | 103,335,000 | 103,335,000 | 0 |
| Rail Safety (RRX) | 1,682,000 | 1,682,000 | 1,750,000 | 1,750,000 | 1,820,000 | 1,820,000 | 1,892,000 | 1,892,000 | 7,144,000 | 7,144,000 | 0 |
| TE/HTS/SR2S | 4,578,000 | 4,578,000 | 4,762,000 | 4,762,000 | 4,953,000 | 4,953,000 | 5,151,000 | 5,151,000 | 19,444,000 | 19,444,000 | 0 |
| Subtotal - Other TIP Programs | 55,842,000 | 57,836,245 | 58,078,000 | 54,243,495 | 60,400,000 | 56,365,473 | 62,815,000 | 58,186,252 | 237,135,000 | 226,631,465 | 10,503,535 |
| Subtotal - Act 44 | 81,891,000 | 78,550,000 | 81,891,000 | 85,805,320 | 84,119,000 | 87,298,105 | 86,406,000 | 86,406,001 | 334,307,000 | 338,059,425 | -3,752,425 |
| TIP Base Funding Total | 399,516,000 | 399,398,200 | 408,834,000 | 410,401,790 | 420,033,000 | 420,954,698 | 431,651,000 | 429,435,814 | 1,660,034,000 | 1,660,190,502 | -156,502 |
| | Additional Funds | | Additional Funds | | Additional Funds | | Additional Funds | | Additional Funding Total | | |
| Accelerated Bridge Program (proposed PA Bond) | 43,907,000 | 44,375,000 | 40,247,000 | 40,246,991 | 36,589,000 | 36,588,956 | 32,930,000 | 32,930,001 | 153,673,000 | 154,140,947 | -467,947 |
| Act 44 Discretionary | 23,040,000 | 23,040,000 | 36,014,969 | 36,014,969 | 23,510,446 | 23,510,446 | 17,077,400 | 17,077,400 | 99,642,815 | 99,642,815 | 0 |
| Appalachian Highway Program | 26,497,147 | 26,497,147 | 9,200,000 | 9,200,000 | 0 | 0 | 0 | 0 | 35,697,147 | 35,697,147 | 0 |
| Economic Development Progr. | 0 | 0 | 9,000,000 | 9,000,000 | 0 | 0 | 0 | 0 | 9,000,000 | 9,000,000 | 0 |
| Federal Earmarks / SXF | 13,099,520 | 13,099,520 | 7,936,160 | 7,936,160 | 2,369,946 | 2,369,946 | 4,679,434 | 4,679,434 | 28,085,060 | 28,085,060 | 0 |
| Spike Program (pre-2009 TIP) | 9,787,000 | 9,787,000 | 16,000,000 | 16,000,000 | 0 | 0 | 0 | 0 | 25,787,000 | 25,787,000 | 0 |
| Spike Program (2009 TIP) | 0 | 0 | 5,000,000 | 5,000,000 | 40,500,000 | 40,500,000 | 19,990,000 | 19,990,000 | 65,490,000 | 65,490,000 | 0 |
| Transit Flex | 6,172,200 | 6,172,200 | 6,172,200 | 6,172,200 | 6,172,200 | 6,172,200 | 6,172,200 | 6,172,200 | 24,688,800 | 24,688,800 | 0 |
| Local/Private/Turnpike | 5,608,289 | 5,608,289 | 8,494,327 | 8,494,327 | 5,559,759 | 5,559,759 | 5,344,927 | 5,344,927 | 25,007,302 | 25,007,302 | 0 |
| Other Federal Sources | 14,000,000 | 14,000,000 | 6,000,000 | 6,000,000 | 0 | 0 | 0 | 0 | 20,000,000 | 20,000,000 | 0 |
| Other State Sources | 2,831,633 | 2,831,633 | 8,802,541 | 8,802,541 | 4,219,208 | 4,219,208 | 3,269,208 | 3,269,208 | 19,122,590 | 19,122,590 | 0 |
| Additional Funding Total | 144,942,789 | 145,410,788 | 152,867,197 | 152,867,188 | 118,920,559 | 118,920,514 | 89,463,169 | 89,463,170 | 506,193,714 | 506,661,661 | -467,947 |
| DRAFT TIP TOTAL | 544,458,789 | 544,808,988 | 561,701,197 | 563,268,978 | 538,953,559 | 539,875,213 | 521,114,169 | 518,898,984 | 2,166,227,714 | 2,166,852,163 | -624,449 |