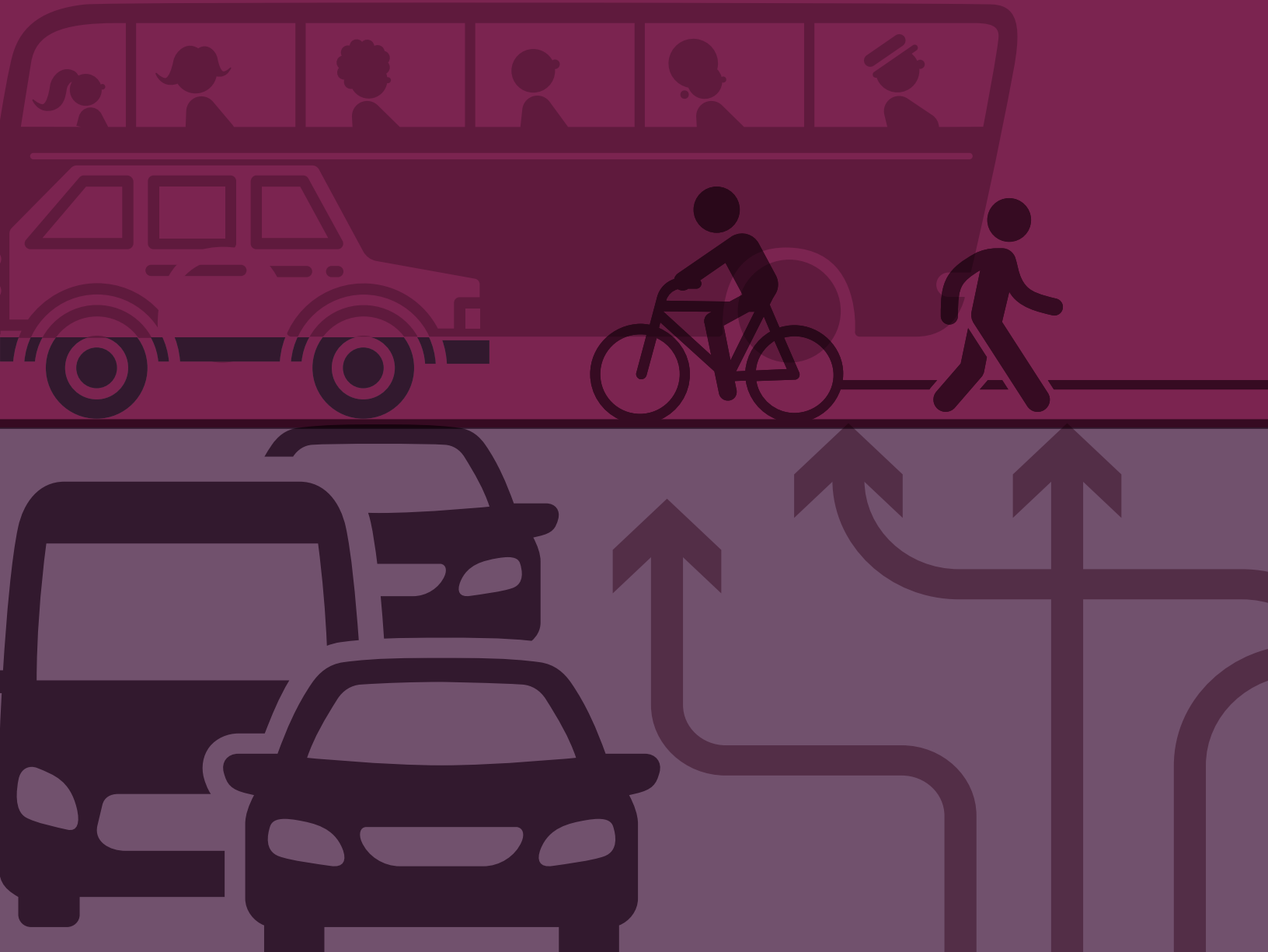


Appendix F: Fiscal Plan and Funding Assumptions



APPENDIX F: FISCAL PLAN AND FUNDING ASSUMPTIONS

Fiscal Constraint

“Fiscal constraint” is a planning tool the Let’s Go 2050 Plan and Transportation Improvement Program (TIP) use to balance transportation investments with reasonably expected revenues. The RTC regularly updates Let’s Go 2050 and related documents to ensure the latest assumptions regarding available funding and spending are included. The plan limits the estimated cost of all potential investments to an estimate of total future funding available to implement those investments.

The RTC developed a financial model to estimate both expenditures and revenues through the year 2050 to calculate fiscal constraint for Let’s Go 2050 and the TIP. About \$88 million in Federal Highway Administration (FHWA) funds are currently available to RTC each year. The available federal funds for 2025 and 2026 are programmed in the existing TIP. This TIP update will add the years 2027 through 2029, with about \$266.5 million in federal funds to be allocated. An overview of federal funding programs is provided in Table 1.

The Let’s Go 2050 Plan projects \$2.4 billion in FHWA funds for transportation use in Southern Nevada from 2030 through 2050. Project requests for the plan totaled about \$1.1 billion more than the projected available funding.

To determine fiscal constraint more accurately, an analysis must consider such factors as inflation and cost escalation, particularly for a 20+ year planning horizon. Past federal transportation authorization bills have included an average annual increase in program funding of approximately 2%. The current Bipartisan Infrastructure Law (BIL)/ Infrastructure Investment and Jobs Act (IIJA) is consistent with previous bills; therefore, it is reasonably assumed that federal revenues will increase by 2% each year throughout the plan timeframe.

In terms of expenditures, costs were escalated at an average annual rate of 3%, which generally reflects the 10-year rolling average of the Producer Price Index (PPI) of material and supply inputs to street and highway construction. Future years beyond fiscal year (FY) 2029 were grouped into 5-year bands (except for the first band of 6 years: 2030– 2035), and costs were assumed to occur in the midpoint year for inflation purposes. For example, a project scheduled between FY 2036– 2040 would assume a midpoint year of FY 2038 for the year of expenditure.

Revenue Sources

The primary source of federal funding is the Highway Trust Fund– supported by the federal gas tax, currently set at 18.4 cents per gallon of gasoline sold. The model includes the latest Congressional and US Department of Transportation actions regarding the Highway Trust Fund, and assumes, in general, that the federal government will transfer funds as necessary in the future to avoid defaulting on both current obligations and future levels of needed funding.

At the state level, the main source of funding is the State Highway Trust Fund (supported mainly by a tax on gasoline at 18.455 cents per gallon sold).

Locally, revenues are provided from the local-option Motor Vehicle Fuel Tax (MVFT), an indexing program for that tax, called Fuel Revenue Indexing (FRI), and portion of local sales tax collections.

Local revenue estimates also show the future capacity of the RTC or any local agency to invest in regional transportation by providing a local match, or share thereof, in sponsorship of federally-funded investments presented in Let’s Go 2050 and the TIP. The estimate includes all current sources of revenue from these sources, as well as assumptions that current revenue-sharing agreements among planning partners will continue through the life of Let’s Go 2050 and the TIP.

The local and federal motor fuels tax source is disproportionately affected by the average miles-

per-gallon rating of the single occupant private vehicles. Calculations are included in the revenue estimate model to account for this significant and widespread increases in fuel efficiency and growing transition to electrification and its effects on future available transportation investment funds.

Table 1. Summary of Federal Funding Sources

Program/Amount	Eligible Projects	2027–2029 (\$ Millions)	2030–2050 (\$ Millions)
Congestion Mitigation and Air Quality Program (CMAQ) \$30M annually	Surface transportation projects and other related efforts that contribute to air quality improvements and/or provide congestion relief. Available for projects within air quality nonattainment areas; must calculate and demonstrate an emissions reduction benefit.	\$94.0	\$840.4
Surface Transportation Block Grant (STBG) \$45M annually	Flexible funding for projects that preserve and improve the conditions and performance on any federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including bus terminals.	\$143.0	\$1,278.7
Transportation Alternatives Program (TAP) \$4M annually	Smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects/programs, historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity.	\$12.7	\$114.3
Carbon Reduction Program (CRP) \$5M annually	Similar to CMAQ, the purpose of this program is to fund projects designed to reduce transportation emissions based on specific carbon reduction strategies such as reduction of traffic congestion by facilitating the use of alternatives to single-occupant vehicle trips.	\$16.8	\$150.7
Total FHWA:		\$266.5	\$2,384.1
Total FTA (all eligible programs):		\$215.9	\$1,931.1