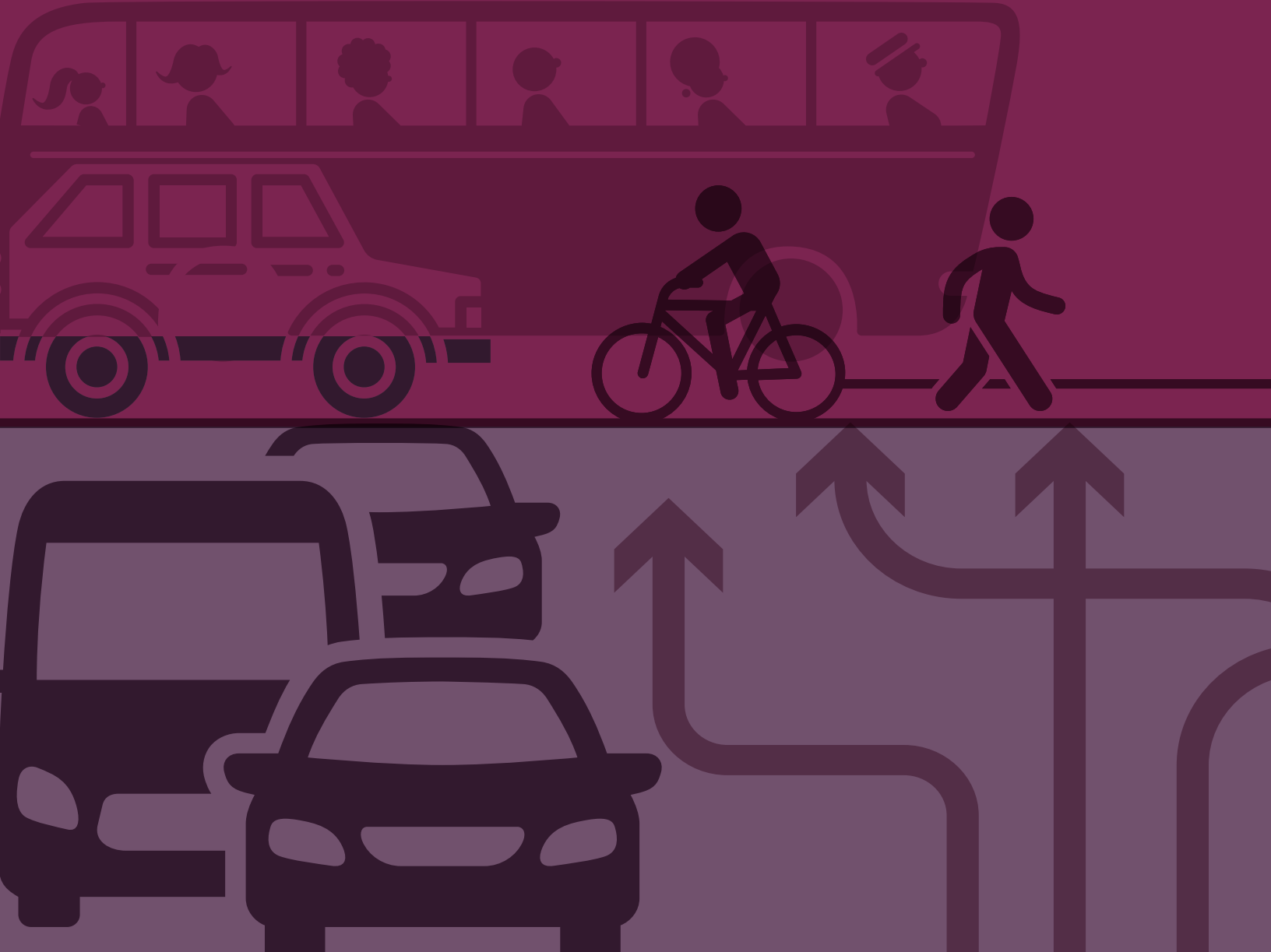


Appendix F: Fiscal Plan and Funding Assumptions



APPENDIX F: FISCAL PLAN AND FUNDING ASSUMPTIONS

Fiscal Constraint

Federal rules require that Let's Go 2050 and the Transportation Improvement Program (TIP) be fiscally constrained. Fiscal constraint means that the projected cost of projects in the plan can be funded using the revenues that can reasonably be expected to be available. The RTC regularly updates Let's Go 2050 and related documents to ensure the latest assumptions regarding available funding and spending are included. This plan limits the estimated cost of all potential investments to match the estimated future funding.

The RTC developed a financial model to estimate both expenditures and revenues through the year 2050. About \$84 million in Federal Highway Administration (FHWA) funds are available to RTC in 2025. 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. However, 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.

Federal Revenue Received by RTC

The primary source of federal transportation 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. Federal funding programs available to RTC are outlined below. The Let's Go 2050 call for projects fiscal constraint was based on these federal sources.

- ▶ **Congestion Mitigation and Air Quality Program (CMAQ)** - Surface transportation projects and other related efforts that contribute to air quality improvements and/or provide congestion relief. This source is available for projects within air quality nonattainment areas. RTC must calculate and demonstrate an emissions reduction benefit of projects.
- ▶ **Surface Transportation Block Grant (STBG)** - 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.

- ▶ **Transportation Alternatives Program (TAP)** - 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.
- ▶ **Carbon Reduction Program (CRP)** - 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.
- **Transit Formula Funds** - The Federal Transit Administration (FTA) distributes a series of federal funds to RTC according to program requirements. The programs are called Sections 5307 (urbanized area formula grants), 5310 (enhanced mobility for seniors and individuals with disabilities), 5337 (state of good repair), and 5339 (buses and bus facilities).

Table 1. Summary of Federal Funding Received by RTC

Program / Amount	2025 Amount (\$ Millions)	2025-2029 (\$ Millions)	2030-2050 (\$ Millions)
CMAQ	\$30	\$153.6	\$840.4
STBG	\$45	\$233.8	\$1,278.7
TAP	\$4	\$20.9	\$114.3
CRP	\$5	\$27.5	\$150.7
Total FHWA	\$84	\$435.8	\$2,384.1
Total FTA (all programs)	\$67.8	\$353.0	\$1,931.1

Local Revenue Received by RTC

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 to invest in regional transportation by providing a local match for federal funds (typically 5% for most formula funds). The estimate includes all current sources of revenue, 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.

Table 2. Summary of Local Funding Received by RTC

Projected Revenue	2025 Amount (\$ Millions)	2025-2029 (\$ Millions)	2030-2050 (\$ Millions)
Question 10 (Q10) Sales Tax	\$81.8	\$443.9	\$2,892.9
Base Motor Vehicle Fuel Tax	\$70.1	\$346.9	\$1,268.7
Indexed Fuel Revenue 1	\$85.9	\$427.5	\$1,604.8
Indexed Fuel Revenue 2	\$74.1	\$499.4	\$2,131.7
Total Fuel Tax	\$230.1	\$1,717.7	\$7,898.1

The motor fuels tax is 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 significant and widespread increases in fuel efficiency and growing transition to electrification and its effects on future available transportation investment funds.

It is expected that the number of gallons sold will decrease throughout the next 20 years, as a result of increasing vehicle fuel efficiency. Revenue increases are anticipated through 2026 as the result of the voter-approved Fuel Revenue

Indexing, which adjusts to account for inflation. This measure sunsets in 2026, resulting in declining fuel tax revenues throughout the remainder of the plan if the Fuel Revenue Indexing is not extended. Revenue forecasts will continue to be adjusted based on fuel efficiency standards and population growth.

Federal Revenue Received by NDOT

NDOT receives federal funds that may be used anywhere in Nevada, subject to program eligibility. Federal programs allocated by NDOT include the following:

- ▶ **Highway Safety Improvement Program (HSIP)** - Safety improvements consistent with the Strategic Highway Safety Plan.
- ▶ **National Highway Performance Program (NHPP)** - Pavement preservation
- ▶ **National Highway Freight Program (NHFP)** - Improvements on the National Highway Freight Network that are included in the Nevada Freight Investment Plan.
- ▶ **Carbon Reduction Program (CRP)** - Project reducing greenhouse gas emissions
- ▶ **Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)** - funding to ensure resilience to natural hazards including climate change, flooding, extreme weather events, and other natural disasters through support of planning activities, resilience improvements, and community resilience and evacuation routes.

It is assumed that NDOT will use a combination of these federal and state funds to implement the projects in Let's Go 2050 for which they are the project sponsor.

Table 2. Summary of Federal Formula Funds Received by NDOT

Program	2025 Amount (\$ Millions)	2025-2029 (\$ Millions)	2030-2050 (\$ Millions)
Highway Safety Improvement Program (HSIP)	\$12.6	\$65.4	\$357.9
National Highway Performance Program (NHPP)	\$111.5	\$580.2	\$3,173.8
National Highway Freight Program (NHFP)	\$5.8	\$29.9	\$164.0
Carbon Reduction Program (CRP)*	\$2.2	\$11.2	\$61.3
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)	\$5.8	\$30.4	\$166.0
Totals	\$134.9	\$717.1	\$3,923.0

*Excludes suballocations for areas with population over 200,000 and between 50,000-200,000.

Statewide TAP funds are not included, because awards are subject to a statewide competitive process.

State Revenue Received by NDOT

The primary source of state transportation funding is the State Highway Trust Fund, supported mainly by a tax on gasoline at 18.455 cents per gallon sold.

NDOT funds are eligible for roadway construction, pavement preservation, ITS, and traffic operations and management. NDOT funds are not eligible for transit capital or operating costs.

These revenue assumptions are based on the NDOT 2023 Annual Report. With the exception of the state portion of Fuel Revenue Indexing, which must be spent in Clark County, NDOT funds are eligible for use anywhere in the state. These estimates are based on an average of 44% of state funds that are eligible for use through the state being made available in Clark County. It should be noted that this is expected to be an average over time rather than an annual allotment, as some major projects may require greater amounts in certain years.

Furthermore, some funding sources are partially allocated to other state agencies, such as the Department of Motor Vehicles. It is assumed that 65% of Motor Vehicle Fees and Taxes are received by NDOT and the remaining funds are allocated to the Department of Motor Vehicles. It is also assumed that NDOT receives 6% of Government Services Tax revenues and the remainder is distributed to local governments. These allocations are subject to change.

Table 3. Summary of NDOT State Funding

Fund	2025 Amount (\$ Millions)	2025-2029 (\$ Millions)	2030-2050 (\$ Millions)
Motor Fuels Gasoline Taxes	\$94.6	\$487.4	\$2,493.9
Special Fuel Taxes	\$41.4	\$213.7	\$1,093.4
Motor Vehicle Fees & Taxes	\$91.3	\$470.5	\$2,407.3
Gov't Services Taxes (GST) Revenues	\$2.2	\$11.3	\$57.7
FRI2 State Portion for Clark County	\$45.1	\$250.5	\$984.5
Totals	\$274.6	\$1,433.4	\$7,036.8

Competitive Federal Grants

The BIL/IIJA was signed into law in 2021, authorizing more than \$1.2 trillion for transportation and infrastructure spending under several different programs during the years 2022 - 2026. As the end of this funding authorization approaches, much of the available funding has been obligated. The following list includes a menu of viable grants for RTC and Southern Nevada local jurisdictions to pursue.

- ▶ **Rebuilding American Infrastructure with Sustainability and Equity (RAISE):** RAISE is a long-standing program, previously known as BUILD and TIGER, that helps communities build transportation projects that have significant local or regional impact. This grant is one of the most popular for funding a wide range of local investments, which makes it highly competitive. There is a maximum award of \$25 million. Past awards in Southern Nevada include the following:
 - The City of Las Vegas was awarded a FY 2022 RAISE Grant (Construction) for the Stewart Avenue Complete Streets project.
 - The RTC was awarded a FY 2023 RAISE Grant (Planning) for the Charleston High-Capacity Transit Project.
- ▶ **Active Transportation Infrastructure Investment Program (ATIIP):** The ATIIP is a new program under the BIL and no projects have yet been awarded. This program seeks to award projects that provide safe and connected active transportation facilities in an active transportation network or active transportation spine. Projects have a minimum cost of \$15 million. Funding remains available for FY 2025 and 2026.
- ▶ **Safe Streets and Roads for All (SS4A):** This grant supports the National Roadway Safety Strategy and USDOT's goal of zero

deaths and serious injuries on our nation’s roadways. An applicant must have an approved Safety Action Plan in place before pursuing capital funding. Funding remains available for FY 2025 and 2026.

- The City of Las Vegas was awarded a FY 2022 Planning and FY 2023 Implementation grants for safety improvements.
- The RTC was awarded a FY 2022 grant for development of a regional Safety Action Plan that will encompass all of Clark County and can be used/referenced by all member jurisdictions.

▶ **Strengthening Mobility and Revolutionizing Transportation (SMART):** SMART is a two-tiered program to conduct demonstration projects focused on advanced smart community technologies and systems in order to improve transportation efficiency and safety. A Stage 1 planning and demonstration effort must be awarded and completed first, before a Stage 2 grant for implementation can be pursued.

- The RTC was awarded a FY 2022 Stage 1 SMART Grant (Safer, Faster, Smarter: Pairing Cloud-Based Vehicle Preemption and AI Intersection Video Analytics).
- The City of Las Vegas was awarded a FY 2023 Stage 1 SMART Grant (SMARTer and Safer Way to Cross: AI-Powered Pedestrian Detection Systems).

▶ **Low or No Emission & Bus and Bus Facilities Program:** The Low-No Program provides funding for the purchase or lease of zero-emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities such as recharging, refueling, and maintenance facilities. The Bus and Bus Facilities Program provides funding for

capital projects to replace, rehabilitate, purchase, or lease buses and related equipment, or to rehabilitate, purchase, construct, or lease bus-related facilities. These programs come out together under a single NOFO. Funding remains available for FY 2025 and 2026.

- The RTC was awarded a \$3.8M 2020 grant for two hydrogen fuel cell buses and fueling infrastructure.
- The RTC was awarded a \$6.7M 2022 grant for four 60-foot hydrogen fuel cell buses and workforce training.

▶ **Capital Investment Grant Program:** Called the Small Starts or New Starts Program, depending on the project size, this competitive FTA grant program supports new high-capacity transit projects. Funds have been awarded to the RTC’s Maryland Parkway High Capacity Transit project. This program is a potential source for the Boulder Highway and Charleston Boulevard high capacity transit projects, which are currently unfunded.

No discretionary grants that have not yet been awarded have been included in the fiscal constraint for Let’s Go 2050.