

2035 RTP UPDATE – FINANCIAL FORECAST

Background

The 2035 Regional Transportation Plan (RTP) was adopted by the Transportation Policy Council in October 2007. Future revenues for transportation expenditures were forecast to be \$157 B. Since then, economic conditions in the state and across the nation have changed considerably. Recently TxDOT released its 2011-2020 Unified Transportation Program (UTP), its 10-year revenue projection for transportation expenditures, that reflected a significantly decreased revenue forecast. To ensure that all long-range transportation plans in Texas are still fiscally-constrained, the Federal Highway Administration (FHWA) asked the Texas Department of Transportation (TxDOT) to submit an updated Statewide Implementation Program (STIP). Because the STIP is comprised of the plans from each metropolitan planning organization (MPO) in the state, the Houston-Galveston MPO is required to update its 2035 RTP to ensure its compliance with fiscal constraint. Fiscal constraint means that anticipated expenditures do not exceed reasonably expected revenues.

Current Situation

The Houston-Galveston Area Council has developed three new revenue forecasts for the 2035 RTP Update: high, likely, and low. Each scenario is based on the 2035 RTP timeframe (2006-2035), in year-of-expenditure dollars, and based on the 2006 dollar value. The expected revenue for each scenario is: high = \$125 B, likely = \$120 B, and low = \$112 B.

To bring the 2035 RTP into compliance with fiscal constraint, roughly \$40 B of anticipated transportation projects must be removed from the RTP.

Action Requested

No action is requested. For information only.