

## Long Range Transportation Plan Funding and Project Allocation Overview

The Long Range Transportation Plan (LRTP), which is both a policy and a fiscal document, serves as the MTA's long range strategic planning tool, providing a framework for the evaluation of complex policy choices and funding decisions. As a financial analysis tool, capturing all sources and uses of regional local, state, and federal funding by major projects and programs, the LRTP financial forecast accommodates the dynamic nature of transportation funding programming, priorities, and policies. Based on transportation funding policies established by funding agencies and funding decisions made by the MTA Board, funds are allocated in the financial forecast to meet the capital and operating transportation needs of the County.

Financial assumptions and a baseline set of funded projects and programs are established and adopted by the Board of Directors. Within the Board-adopted assumptions, the financial forecast is used to determine how to fund the baseline and what funding is reasonably expected to be available for the constrained project element. Based on such available funding, the constrained element projects are then determined through the LRTP process and ultimately approved by the Board of Directors.

When the MTA is faced with funding cuts or cost increases, the financial forecast serves as a vital tool in determining whether the programs are still affordable. When assumptions change, staff revises the annual revenue or cost projections to determine which years are no longer balanced. Staff can then re-balance the cash flow by shifting funds and, if necessary, issuing debt (constrained by the adopted MTA Debt Policy). If the capacity to issue debt does not exist, projects or programs are delayed or eliminated, depending on MTA priorities, until the forecast is again balanced.