

Fiscal Constraint

Federal Planning Regulations, Sections 450.322 (b) (11) and 450.324 (e) require LRTPs to be financially constrained, while also ensuring that the existing transportation system is being adequately operated and maintained. Only projects for which construction and operating funds are reasonably expected to be available are to be included on the LRTP.

The CCMPO estimated revenue from various federal, state, and local funding sources that is expected to be available to advance projects. Federal and state funds are authorized and appropriated through periodic legislative actions, and local funds are appropriated on a project-by-project basis. Most local funding is necessary to match federal dollars, although local funds may also be contributed on a voluntary basis to leverage federal and state dollars and expedite the implementation of projects.

Funding for projects on the LRTP is allocated to the CCMPO through the biennial development of the Transportation Improvement Program (TIP).

Highway Element (Table 37 & 38)

The Highway element of the CCMPO's 2015-2018 TIP includes the following:

- “Base funds” distributed by formula through the following funding programs:
 - National Highway Performance Program (NHPP)
 - Surface Transportation Program (STP)
 - Highway Safety Improvement Program (HSIP)
 - Congestion, Mitigation & Air Quality (CMAQ)
 - State funding
- “Additional funds” distributed on a project-by-project basis

A statewide formula is used to provide base federal and state highway and bridge funds to the CCMPO. The amount of base funding is specified in a Financial Guidance document prepared for the development of each TIP.

Additional funds are distributed on a project-by-project basis, and may take many forms, including but not limited to:

- Special allocations, such as Appalachian Highway Development Program (APD) funds.
- Large amounts of funding from federal or state sources for a high-cost project, this is also referred to as “spike funding”, because the large influx of additional funding creates a “spike” above the normal level of base funding provided to the MPO.

In general, a very conservative approach has been taken to estimate future revenues. The CCMPO is projecting that the base federal allocations will remain flat for the life of the LRTP 2044. A 0.5% annual increase in the base state funding for highways and bridges is assumed from 2019-2026. The base state funding for highways and bridges is projected with no increase from 2027-2044.

The level of additional funds is assumed to decrease dramatically following the completion of the Route 322 Potter Mills Gap project in the 2019-2022 time period of the LRTP, with only a small amount of spike funding anticipated to be available in each of the time periods through 2044. A commitment of other additional funds, such as earmarked or APD funding, is not considered in the future funding allocation. Given the lingering transportation funding concerns, the level of spike funds estimated in future years has been set at just \$250,000 per year.

The amount of local funds committed to highway and bridge projects is anticipated to remain a relatively minor component of the overall funding allocation. Although local or other funds may be contributed to projects in the future, the estimate of anticipated revenue assumes that local funding will be limited to providing the required match for municipal bridge projects and special highway projects. It is noteworthy, that Pennsylvania Act 89 of 2014 authorizes counties to consider adoption of an optional \$5 fee on vehicle registration for use on locally designated transportation projects. Should this fee be applied in Centre County, it could generate about \$600,000 a year.

Transit Element (Table 39)

For the transit element of the LRTP, the MPO utilized the following assumptions:

- Federal formula allocation funds (Section 5307) are assumed to remain constant. This is based on recent historical federal transit funding trends, and is consistent with financial guidance received from PennDOT. Federal Section 5307 funds can be used for capital or operating projects.
- Estimates of federal discretionary funds (Section 5309) and formula and grant-based bus and bus facilities funds (Section 5337) are based upon the amount expected to be requested by CATA and other project sponsors. Amounts received will vary depending on the level of funding applied for by these sponsors. Actual cost of projects financed with federal discretionary funds and formula and grant-based bus and bus facilities funds will depend on the level of such funding provided by formula, approved grants, and authorization and appropriations legislation.
- Federal Section 5310 funding for paratransit vehicles is allocated on a competitive basis. For this analysis, funds are assumed to be allocated for the purchase of new vehicles as existing vehicles reach the end of their estimated useful life. This is consistent with local historical trends.
- State capital assistance is expected to revert to \$1,000,000 annually for routine capital needs, and remain constant, following completion of the building expansion and renovation project. This is based on recent historical trends, and is consistent with financial guidance received from PennDOT.
- State operating assistance is projected to grow at 3% annually. This is based on recent historical trends, and is consistent with financial guidance received from PennDOT.
- Local capital assistance is expected to revert to \$100,000 annually for routine capital needs, and remain constant, following completion of the building expansion and renovation project. This is based on recent historical trends, and is consistent with an agreement with CATA's member municipalities.

- Local operating assistance is projected to grow at 5% annually in response to the local funding requirements of Pennsylvania Act 89 of 2013.

Cost Estimates and Year of Expenditure

The CCMPO, in consultation with PennDOT and CATA, estimated the costs of projects on the project list in the LRTP. The costs of the highway and bridge projects were escalated 3% annually to reflect a more accurate estimate of cost in the year of expenditure. For projects listed in the LRTP, the cost estimates reflect the midpoint of the time period in which the project is listed.

The tables on the following pages provide details about the funding anticipated to be available for highway, bridge and public transportation for the life of the LRTP. The funding allocations for the current 2015-2018 Centre County TIP are included on the tables.

The costs of the projects included in the LRTP are within the levels of fiscal constraint established for the LRTP based on the anticipated revenues illustrated on the following tables. Details about assumptions for each funding source are included on the tables.

Table 37

Funding Source	Estimated Funding Allocation for Long Range Transportation Plan						Total Funding 2015-2044
	Funding Allocation for 2013-2016 TIP	Funding Allocation for 2015-2018 TIP	Funding for Projects in 2019-2022	Funding for Projects in 2023-2026	Funding for Projects in 2027-2034	Funding for Projects in 2035-2044	
National Highway Performance Program (NHPP)	\$7,957,000	\$16,518,000	\$16,518,000	\$16,518,000	\$33,036,000	\$41,295,000	\$123,885,000
Surface Transportation Program (STP)	\$7,694,000	\$5,617,000	\$5,617,000	\$5,617,000	\$11,234,000	\$14,042,500	\$42,127,500
Highway Safety Improvement Program (HSIP)	\$2,471,000	\$3,964,000	\$3,964,000	\$3,964,000	\$7,928,000	\$9,910,000	\$29,730,000
Congestion, Mitigation & Air Quality (CMAQ)	\$5,725,000	\$3,957,000	\$0	\$0	\$0	\$0	\$3,957,000
Base Highway (State)	\$2,608,000	\$18,905,000	\$23,175,534	\$23,642,533	\$47,639,406	\$59,549,257	\$172,911,729
STX (Rail Crossing)	\$188,000	\$0	\$0	\$0	\$0	\$0	\$0
Act 44 - Highway	\$1,065,600	\$0	\$0	\$0	\$0	\$0	\$0
Local/Other Funds	\$3,365,694	\$1,750,000	\$0	\$0	\$0	\$0	\$1,750,000
HIGHWAYITS TOTAL	\$31,074,294	\$50,711,000	\$49,274,534	\$49,741,533	\$99,837,406	\$124,796,757	
Transportation Alternatives	\$13,400	\$0	\$0	\$0	\$0	\$0	\$0
Base Bridge (Federal)	\$10,488,000	\$2,704,000	\$2,704,000	\$2,704,000	\$5,408,000	\$6,760,000	\$20,280,000
Base Bridge (State)	\$2,616,000	\$8,695,000	\$9,092,813	\$9,276,037	\$18,691,099	\$23,363,873	\$69,118,822
Bridge Bond (State)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Act 44 - Bridge	\$4,262,400	\$0	\$0	\$0	\$0	\$0	\$0
Local/Other Funds	\$180,604	\$98,349	\$100,000	\$100,000	\$200,000	\$250,000	\$748,349
BRIDGE TOTAL	\$17,547,004	\$11,497,349	\$11,896,813	\$12,080,037	\$24,299,099	\$30,373,873	
HIGHWAY & BRIDGE TOTALS	\$48,621,298	\$62,208,349	\$61,171,347	\$61,821,570	\$124,136,504	\$155,170,630	\$464,508,400
Total Base Funding							\$464,508,400

Notes and Assumptions:

- 1) A 0% annual increase in the base federal funding for highways, bridges, rail.
- 2) A 0.5% annual increase in the base state funding for highways and bridges is assumed in years 2019-2026.
- 3) A 0% annual increase in the base state funding for highways and bridges is assumed in years 2027-2044.
- 4) Assumes a \$25,000 in local bridge funding from 2019-2044

Table 38

Funding Source	Funding Allocation for 2013-2016 TIP	Estimated Funding Allocation for Long Range Transportation Plan					Total Funding 2015-2044
		Funding Allocation for 2015-2018 TIP	Funding for Projects in 2019-2022	Funding for Projects in 2023-2026	Funding for Projects in 2027-2034	Funding for Projects in 2035-2044	
Spike Funds	\$5,722,000	\$0	\$1,000,000	\$1,000,000	\$2,000,000	\$2,500,000	\$6,500,000
Route 322 Potters Mills Gap - SPIKE	\$32,540,000	\$103,600,000	\$35,700,000	\$0	\$0	\$0	\$139,300,000
Waddle Road Interchange - SPIKE		\$13,500,000	\$0	\$0	\$0	\$0	\$13,500,000
SR 144 Bald Eagle Creek Bridge (Milesburg Borough) - SPIKE		\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000
Projects For Future Consideration							
- I-99/I-80 Interchanges/SR 26 Btmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Route 322 Corridor							
SXF (Earmarked)	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0
Appalachian (APD) Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interstate Maintenance (IM) and Interstate Restoration (I4R)		N/A	N/A	N/A	N/A	N/A	\$0
TOTALS		\$118,600,000	\$36,700,000	\$1,000,000	\$2,000,000	\$2,500,000	\$160,800,000
Notes and Assumptions:							Total Spike Funding
1) The LRTP assumed \$250,000 in SPIKE funding annually between 2019-2044.							
2) There is SPIKE of \$35,700,000 reflected in the 2019-2022 time period for the the completion of the US 322 Potters Mills Gap Western Interchange and Mainline project. This amount is reflected in the State funding category in 2019-2022 on the Highway & ITS fiscally constrained project list.							
3) Major pavement and bridge restoration or rehabilitation on I-99 and I-80 would be addressed by PennDOT with Interstate Maintenance (IM) and							

Table 39

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Funding Source	Funding Allocation for 2013-2016 TIP	Funding Allocation for 2015-2018 TIP	Funding for Projects in 2019-2022	Funding for Projects in 2023-2026	Funding for Projects in 2027-2034	Funding for Projects in 2035-2044	Total Funding 2015-2044	
Federal 5307	\$10,174,900	\$10,907,504	\$10,907,504	\$10,907,504	\$21,815,008	\$27,268,760	\$81,806,280	
Federal 5309 / 5337	\$21,693,333	\$12,333,333	\$8,000,000	\$8,000,000	\$16,000,000	\$20,000,000	\$64,333,333	
Federal 5310	\$1,009,800	\$0	\$250,000	\$262,500	\$551,250	\$723,516	\$1,787,266	
State Capital Assistance								
	\$29,219,837	\$45,345,478	\$4,000,000	\$4,000,000	\$8,000,000	\$10,000,000	\$71,345,478	
State Operating Assistance	\$14,344,400	\$21,825,620	\$22,480,389	\$23,154,800	\$47,698,889	\$61,412,319	\$176,572,016	
Local Capital Share								
	\$2,860,334	\$250,000	\$400,000	\$400,000	\$800,000	\$1,000,000	\$2,850,000	
Local Operating Share		\$2,156,902	\$2,264,747	\$2,377,984	\$4,993,767	\$6,554,320	\$18,347,721	
TOTALS	\$79,302,604	\$92,818,837	\$48,302,640	\$49,102,789	\$99,858,914	\$126,958,914	\$417,042,094	
						Total Base Funding	\$417,042,094	

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- 7) Local operating assistance is projected to grow at 5% annually to track the local funding requirements of Pennsylvania Act 89 of 2013.