

## Financial Forecasts and Fiscal Constraint



### Regional Transportation Plan

Federal law requires each metropolitan area to develop a regional transportation plan. *Maximize2040: A Performance-Based Transportation Plan* is the name of the next plan being developed for the Baltimore region. This document will guide transportation investments planned for 2020 to 2040. The heart of the plan will be a list of the major highway and transit investments the region expects to make within this 21-year period.



### Financial Plan

*Maximize2040* will include a financial plan to demonstrate how the region expects to pay for future projects and programs. The Baltimore Regional Transportation Board, in consultation with the Maryland Department of Transportation, has forecast the amounts of federal, state, and private funds the region reasonably expects to be available for the 2020-2040 period.

The financial plan also will show cost estimates for major projects and programs. These estimates will be for “year of expenditure.” This means that each estimate will include an inflation factor to show the expected cost in the year of construction or operation.

### Fiscal Constraint

Federal law requires regional transportation plans to be fiscally constrained. That is, total estimated costs cannot exceed total expected revenues. A regional transportation plan cannot be a “wish list.”

**Fiscal constraint: \$ out ≤ \$ in**

### Revenue Forecasts: 2020-2040

Below are revenues (federal, state, and private sources) expected to be available for the 2020-2040 period, by type of investment:

- System operations: \$29.95 billion
- System preservation: \$12.10 billion
- Major expansion projects: \$15.84 billion
- **Total revenues: \$57.89 billion**

“System operations” covers the salaries and wages of personnel who maintain and operate highway and transit systems and vehicles.

“System preservation” covers capital costs for routine maintenance: repaving roadways; repairing bridges; servicing transit vehicles; clearing snow and ice; maintaining roadside lighting, guardrails, and signs; etc.

The remaining \$15.84 billion will be available to fund major capital expansion projects.



**Approximately 52% of total revenues will go to operations, with 21% allocated to preservation and 27% to major expansion projects.**

### For more information . . .

about financial forecasts, please contact:

Todd Lang, Baltimore Metropolitan Council  
(410) 732-0500  
tlang@baltometro.org