

Chapter I Financial Plan

The Grand Valley Metropolitan Council (GVMC) Transportation Improvement Program (TIP) provides a summary of how transportation revenues in the program will be invested over a three year period by the state and local agencies that have legal responsibility to build, operate, and maintain the state's highway, road, street, and public transit systems. Federally-funded expenditures are required by federal law to be consistent with the FY2030 Long Range Plan adopted in June 2004 (by FHWA) and to be constrained to include only projects that we anticipate having enough revenue to complete.

A portion of this money is used to maintain and operate the transportation systems. The remainder is for capital projects. For more information on what agencies do to ensure that the system as a whole is being adequately operated and maintained please see pages 41 through 53, 72 through 78 and see appendices G,I, J, K & L.

Federal regulations require the TIP to be financially constrained by fiscal year. The STIP must demonstrate that there is enough money available each year to fund projects listed in the TIP for the year. The purpose of the tables listed below is to demonstrate financial constraint. The tables compare estimated revenues and expenditures by funding source and indicates how much revenue total it is estimated will be available each year from federal state and local sources. Revenue and expenditures in these tables are MPO totals for combined state and local programs. Federal revenues used here are based on the FY2004 – 2006 TIP using the FY2006 funding levels with a factor of 2 percent used for FY2007 and for FY2008 a compounded annual increase of two percent, which is consistent with the projected increases in the national authorization level of the federal highway program during the period of this program.

Table 1 Comparison of Estimated Revenues and Expenditures by Funding Source for MDOT, ITP and Local Jurisdictions.

FISCAL CONSTRAINT DEMONSTRATION

Highway Fund Source ^{4, 5}	FY 2006				FY 2007				FY 2008			
	Estimated Federal Revenue ^{1, 2}	Estimated Non-Federal Revenue ^{1, 3}	Total Estimated Revenue	Total Proposed Commitments ⁶	Estimated Federal Revenue ^{1, 2}	Estimated Non-Federal Revenue ^{1, 3}	Total Estimated Revenue	Total Proposed Commitments ⁶	Estimated Federal Revenue ^{1, 2}	Estimated Non-Federal Revenue ^{1, 3}	Total Estimated Revenue	Total Proposed Commitments ⁶
Interstate Maintenance (IM)	\$17,997,568	\$2,000,642	\$19,998,210	\$19,998,210	\$1,314,450	\$146,050	\$1,460,500	\$1,460,500	\$8,717,934	\$968,660	\$9,686,594	\$9,686,594
National Highway System (NHS)	\$365,000	\$81,000	\$446,000	\$446,000	\$17,146,757	\$3,802,243	\$20,949,000	\$20,949,000	\$9,760,350	\$2,164,330	\$11,924,680	\$11,924,680
Surface Transportation Program (STP)	\$19,380,824	\$9,460,513	\$28,841,337	\$28,841,322	\$22,160,234	\$9,424,904	\$31,585,138	\$31,585,075	\$19,127,279	\$10,151,457	\$29,278,736	\$29,213,573
Bridge (B)	\$4,956,800	\$1,239,200	\$6,196,000	\$6,196,000	\$1,250,762	\$312,691	\$1,563,453	\$1,563,453	\$451,595	\$112,899	\$564,494	\$564,494
Congestion Mit. And Air Quality (CMAQ)	\$2,400,000	\$0	\$2,400,000	\$2,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Minimum Guarantee (MG)	\$3,607,000	\$1,543,043	\$5,150,043	\$5,150,000	\$3,607,000	\$1,493,025	\$5,100,025	\$5,100,000	\$3,607,000	\$1,643,250	\$5,250,250	\$5,250,000
Other Federal Highway Funds	\$1,200,000	\$300,000	\$1,500,000	\$1,500,000	\$4,240,000	\$1,060,000	\$5,300,000	\$5,300,000	\$36,000,000	\$9,000,000	\$45,000,000	\$45,000,000
Other Non-Federal Highway Funds	\$0	\$26,330,000	\$26,330,000	\$26,330,000	\$0	\$3,277,000	\$3,277,000	\$3,277,000	\$0	\$2,000,000	\$2,000,000	\$2,000,000
Highway Total	\$49,907,192	\$40,954,398	\$90,861,590	\$90,861,532	\$49,719,203	\$19,515,913	\$69,235,116	\$69,235,028	\$77,664,158	\$26,040,596	\$103,704,754	\$103,639,341

Transit Fund Source^{4, 5}

Section 5307 UZA Formula	\$6,039,230	\$1,454,309	\$7,493,539	\$7,493,539	\$6,669,902	\$1,646,804	\$8,316,706	\$8,316,706	\$6,964,331	\$1,719,377	\$8,683,708	\$8,683,708
Section 5309 Capital	\$3,916,902	\$802,257	\$4,719,159	\$4,719,159	\$9,896,728	\$2,474,182	\$12,370,910	\$12,370,910	\$7,680,000	\$1,920,000	\$9,600,000	\$9,600,000
Section 5310 Elderly and Disabled	\$234,072	\$58,518	\$292,590	\$292,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Section 5311 Non-UZA Formula	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Section 3037 Job Access/Reverse Commute	\$209,354	\$209,354	\$418,708	\$418,708	\$560,000	\$140,000	\$700,000	\$700,000	\$560,000	\$140,000	\$700,000	\$700,000
New Freedom Initiative	\$134,989	\$33,747	\$168,736	\$168,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Total	\$10,534,547	\$2,558,185	\$13,092,732	\$13,092,732	\$17,126,630	\$4,260,986	\$21,387,616	\$21,387,616	\$15,204,331	\$3,779,377	\$18,983,708	\$18,983,708

- Notes:
- For estimated revenue use the FY 2006 revenue estimate from the FY 2004-2006 TIP as the FY 2006 revenue estimate in the FY 2006-2008 TIP. Increase the FY 2006 revenue estimate by 2% for the FY 2007 revenue estimate and increase it an additional 2% for the FY 2008 revenue estimate.
 - Estimated federal revenue is Apportionment (not Obligation Authority). It includes all phases for each trunkline and local project.
 - Estimated non-federal revenue includes state and local match and other funds for all phases for each trunkline and local project. **If other funds are included, they must be defined in a footnote to the table.**
 - Highway and transit fund sources are obtained from the fund column of the final snapshot provided to each MPO.
 - The FY 2006-2008 TIPs and STIP will report financial constraint by major federal funding source rather than by MDOT program categories. To aid in rolling up from program categories to funding source, please refer to the following.
 STP includes GPAs, Enhancement and Safety.
 MG includes Economic Development Category C - Urban Congestion and Category D - Rural.
 Other federal funds includes Emergency Relief, High Priority Projects and National Recreational Trails.
 Other non-federal funds includes state M programs, Economic Development, Bonds, etc.
 See Codes worksheet (Funding Codes by Funding Source) for additional detail.
 - Local projects are over matched by at least 10%.
- This spreadsheet reflects changes to FY2006 Other Non-Federal Highway Funds (add. \$5 Million AC) & CMAQ (add. \$2.4 Million ACC) & Interstate Maintenance (add. \$1.6 Million ACC).

Some important points to remember when interpreting summary data from these tables:

- The TIP deals with **fiscal years, not calendar years**. As such, this report summarizes planned expenditures for October 1 to September 30. Fiscal Year 2006 begins on October 1, 2005.
- The STIP and TIPs must list **projects funded with federal funds and those that are regionally significant** regardless of the funding source. We have not included all known projects and revenue in these tables. CMAQ projects which are not listed in this document at the time of printing have not yet been programmed due to uncertainties with federal funds. These projects although not listed in the above tables will be amended into the TIP and subsequently listed in the above tables when funding becomes more certain.
- Projects associated with the expenditures listed in the tables above are detailed in pages 55 through 66. Some projects not of appropriate scale to be listed individually have been grouped into General Program Accounts for the purpose of the TIP.
- Expenditures for known programs that did not have specific projects identified at the time this document was developed are not shown and will be amended into the program when the projects are identified. The programs from which expenditures may be made, but are not shown in the table, are discussed in appendix H.

Following is a brief description of the programs listed in the preceding three tables. Local Highway Programs include,

- **Transportation Management Areas Program (TMA)** - the TMA program was created by a federal set aside of federal STP funds for areas of population greater than 200,000. These include the urbanized areas of Ann Arbor, Detroit, Flint, Grand Rapids, Lansing/East Lansing, and parts of South Bend (Niles) and Toledo (City of Monroe) that spill over into Michigan. In Michigan the entire set aside for TMAs is reserved for spending on local jurisdiction facilities.
- **Small Metropolitan Planning Organizations Program** - the Small MPOs program is funded with a non-mandatory set aside of federal STP funds for areas of population between 50,000 and 200,000. These include the urbanized areas of Battle Creek, Bay City, Benton Harbor, Holland/Zeeland, Jackson, Kalamazoo, Muskegon, Port Huron, and Saginaw.
- **Transportation Economic Development Fund, Category C Program (TEDF-C)** - the TEDF-C program is established in state law with a set aside of state and federal (Minimum Guarantee) funds for urban county congestion relief. The recipients include Kent, Genesee, Macomb, Oakland, and Wayne counties.

- The **Rural Task Force Program** is made up of the **Rural STP** and **TEDF-D** programs. The Rural STP program is created with a non-mandatory set aside of federal funds. The TEDF-D program is established in state law with a set aside of state and federal (Minimum Guarantee) funds for a rural county system of all-season roads. Recipients include the 78 counties that do not receive TEDF-C funds. Groups of nearby counties meet together in Rural Task Forces to prioritize their transportation investments. The programs were combined on the table because individual county projects are often funded from both sources.
- **Small Urban Program** - the Small Urban Program is funded with a non-mandatory set aside of federal STP funds for urban areas between 5,000 and 50,000 population. Approximately 50 cities share this program and submit project requests to the MDOT for their possible selection.
- **Local Bridge Program** - the Critical Bridge Program is established in state law with a state grant from the Michigan Transportation Fund (MTF). Federal Bridge funds that may only be spent off the federal aid system and federal STP funds are also part of the program.
- **Congestion Mitigation & Air Quality Program (CMAQ)** - the CMAQ program is federal program with the purpose of helping states meet the requirements of the federal Clean Air Act. Grants are made based on applications from state and local agencies.
- **Transportation Enhancements Program (TE)** - the TE program is funded with a federal set aside of STP funds for surface transportation-related projects, such as bike and pedestrian facilities, transportation museums, and historic preservation projects. Grants are made based on applications from state and local agencies and private entities.
- **Local Rail/Highway Crossing Program** - the rail crossing program is funded with a statutory set aside of state and federal funds for the purpose of improving safety at rail/highway crossings. Projects were not selected in time to be included in the S/TIP and will need to be amended in once they are selected.
- **State Park Access Program (SPA)** - the SPA program is a non-mandatory set aside of federal STP funds for the purpose of improving local roads that serve state parks.
- **Recreational Trails Program** - the Recreational Trails program is a federal program for the purpose of providing improvements for motorized and non-motorized recreational trail users.
- **Federal Allocations** - federal allocations include the congressionally-designated High Priority Projects Program of TEA 21 and Demonstration projects of pre-TEA 21 authorizations, as well as funds passed out at the discretion of the U. S.

Secretary of Transportation. These funds are typically provided for a very specific project or use. The federal discretionary projects are often not known until during the fiscal year in which they are received and may need to be amended into the TIP when they are determined.

- **Non-Federal Programs** - The FY2006 - 2008 TIP document does not include any description discussion or otherwise regarding non-federal programs. Illustrative projects which may be deemed non-federal is discussed on page 79 followed by two years worth of projects.

Note: The local road safety program, which is funded with a set aside of federal STP funds, is not included in the tables because projects were not selected in time to be included. These projects address immediate safety needs and are not selected very far in advance. These projects will be amended into the TIP once they are selected.

The state trunk line is nearly 10,000 miles of the most heavily traveled roads in the state. They are all funded from the pool of state and federal funds available to the MDOT for care of the state trunk line system. State Trunk line programs include,

- **Rehabilitate and Reconstruct Program** - the R & R program's purpose is to improve the pavement condition and ride quality on the system.
- **Trunk line Bridge Program** - the bridge program provides for the inventory, inspection, analysis and emergency repair of trunk line bridges.
- **Capital Preventive Maintenance Program for Highways and Bridges** - the CPM program's purpose is to extend the life of pavement and prevent costly repairs in the future.
- **Passing Relief Lanes** - the program adds passing lanes on two lane trunk lines with limited passing sight distance in northern Michigan.
- **Capacity Improvements** - capacity improvements include the widening and resurfacing or reconstructing of roads with the purpose of relieving urban congestion and improving service along the most important commercial thoroughfares.
- **New Roads** - the new roads program includes construction of new roads on new alignments in order to improve system continuity, relieve congestion, and continue Michigan's economic vitality.
- **Preliminary Engineering** - PE includes funding for preliminary studies, surveys, drafting, and engineering work necessary to begin the development of road projects.
- **Congestion Mitigation & Air Quality Program** - the CMAQ program is a federal

program with the purpose of helping states meet the requirements of the federal Clean Air Act. Grants are made based on applications from state and local agencies.

- **Highway Safety Program** - The highway safety program is funded with a set aside of federal STP funds.
- **State Rail/Highway Crossing Program** - the rail crossing program is funded with a statutory set aside of state and federal funds for the purpose of improving safety at rail/highway crossings.
- **Weigh Stations Program** - the Weigh Stations program funds improvements to truck weigh stations on the trunk line system.
- **Roadsides Program** - the Roadside program provide funding for landscaping, rest area, and non-motorized facilities.
- **Sewer Separations Program** - the Sewer Separations program funds the MDOT participation in local sewer separation projects.
- **Federal Allocations** - federal allocations include the congressionally-designated High Priority Projects Program of TEA 21 and Demonstration projects of pre-TEA 21 authorizations, as well as funds passed out at the discretion of the U. S. Secretary of Transportation. These funds typically provide for a very specific project or use. The federal discretionary projects are often not known until during the fiscal year in which they are received and may need to be amended into the TIP when they are known.
- **Non-federal Programs** - The FY 2006 - 2008 TIP document does not include any description discussion or otherwise regarding non-federal programs. Illustrative projects which may be deemed non-federal is discussed on page 79.