7. FINANCIAL REALITY

INTRODUCTION

Financial planning ensures that the projects and programs in the Metropolitan Transportation Plan are both visionary and achievable. Federal regulations require long-range transportation plans to be financially constrained, meaning estimated costs cannot exceed anticipated revenues. This ensures the plan reflects realistic investment opportunities. The process involves forecasting revenue from federal, state, and local sources, estimating project and program costs, and balancing revenues with costs to meet financial constraint requirements while addressing critical needs.

However, challenges such as rising costs for materials, labor, and land—exacerbated by inflation—complicate financial planning. Expanding transit, a top priority reported by the public, often faces funding and consensus barriers. These realities require balancing bold aspirations with practical strategies to meet the region's evolving transportation needs. This chapter outlines how financial planning navigates these complexities to support a more connected and equitable future.

IN THIS CHAPTER

- Financial plan summary
- Revenue and expenditure estimates
- Financial planning process
- Revenue initiatives and outlook

DID YOU KNOW?

FUEL TAXES STUCK IN THE PAST: Texas' state fuel tax has held steady at 20¢ per gallon since 1991—last changed over three decades ago! Meanwhile, federal fuel taxes, set at 18.4¢ per gallon for gasoline and 24.4¢ for diesel, haven't budged since 1993. That's nearly a generation of unchanged rates despite growing transportation needs.

RISING COSTS, STAGNANT FUNDING: Since 1997, transportation costs have skyrocketed to four to five times their original levels. Alarmingly, costs have doubled in just the last five years, leaving legacy funding mechanisms like fuel taxes struggling to keep pace with modern demands.