The Development of Financial Plans for Regional Transportation Plans - Methods, Data and Issues

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Abstract

The Intermodal Surface Transportation Efficiency Act of 1991 requires that projects identified in a region's long range plan be financially constrained. As an MPO, SEMCOG, the Southeast Michigan Council of Governments, developed a plan that not only met the ISTEA requirements and served the needs of its member communities, but that also was consistent and comparable with forecasts developed by the state's other urban areas and with the state plan developed by MDOT, the Michigan Department of Transportation. This paper will describe the method, development of assumptions and databases and the validation of the forecast with local and state transportation agencies. SEMCOG focused on identifying and matching resources to meet the region's capital needs, which involved roadway, transit, non-motorized and intermodal projects. Future revenues were used to constrain the projects in the RTP, with unmet needs being defined as the shortfall of financial resources necessary to meet all needs identified in the deficiency analysis stage. In a survey that identified revenues resources, revenues were anticipated as being "available" from federal, state and local sources.

The forecast of federal funds focused on those available to local units of government in Southeast Michigan with the Michigan Department of Transportation being responsible for forecasting funds for state trunkline projects within the region. Historical data from pre-ISTEA years was identified and, with some manipulation of the data, made compatible with the federal-aid programs created by ISTEA in order to identify a trend in revenues.

Each year, the transit agencies, county road commissions, cities, villages and state department of transportation share state fuel taxes and vehicle registration fees credited to the Michigan Transportation Fund (MTF). Distribution reports have been provided each year in compliance with the state's "Act 51" requirements. SEMCOG developed an internal database to capture the financial information delineated in this annual report. It was decided that a simple regression of 25 year's information could provide a reasonable projection of future anticipated revenues from this source.

Ascertaining revenues derived from local non-user sources proved to be quite challenging. In addition to its federal and state revenue receipts, each local unit of government (i.e. county road commissions, cities, villages) has the ability to generate or assign its own revenues for transportation purposes. With well over 100 units of local government, there was a need to identify a single, uniform and reasonably comparable source of data. It was determined that the best source of information was contained in "Act 51" computerized databases. These annual databases were compiled by MDOT, based upon audited reports submitted by each local unit of government, in compliance with state Act 51 reporting requirements.

There were several barriers in performing a capital-only forecast. While federal revenues must be earmarked for capital projects, in general, the assignment of MTF and local revenues to capital projects are not as apparent. As such, it was necessary to develop a factor to approximate capital/operating expense portions of total expenses. Once again, the best source of information appeared to be the Act 51 reports. It was necessary to validate the information with the individual county road commissions, since it was the information that they had reported that was being captured.

If there is one thing that grabs the attention of most people in our society, particularly public policy makers and particularly those in transportation in the State of Michigan, it is money. Too often the question is, how are we going to pay for a system that is so important to our region's economy and so important to our daily lives. Governments at all levels trying to answer this question are caught between a "rock and a hard place". The "rock" is tax or user fee increases that are few and far between and the "hard place" is rapidly rising costs for delivering safe and efficient transportation services. The Financial Plan for the Regional Transportation Plan (RTP) is no different in terms of focussing the attention of public policy makers because it now requires the clear identification of future financial resources and proposed capital expenditures.

There are many facets to the Financial Plan for the RTP process in Southeast Michigan revolving around various modes and various governments at all levels. The Financial Plan consists of five major elements:

- Forecasts of federal-aid highway funds, revenues from the Michigan Transportation Fund (MTF), which is the depository for fuel user fees and vehicle registration fees, and local property-tax based revenues available to state, county and local governments;
- Forecasts of federal-aid transit funds;
- An assessment of the needs of the transportation system;
- A comparison of revenues with needs to determine the need for new revenues and;
- The identification of a regional investment strategy.

This paper focuses on the portion of the Plan dealing with the road system in our region under the jurisdiction of county road agencies, cities, villages and the Michigan Department of Transportation. The discussion will be on the methods, the scope of data collection and the many issues faced in preparing the financial plan. A brief description of the outcome of the financial planning process is also included here.

ISTEA and Clean Air Act Amendment Requirements

Recognizing the need for financial planning, the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 made financial planning a cornerstone of all regional transportation plans and transportation improvement programs. All such plans and programs prepared by metropolitan planning organizations must include a financial plan and must make the statement that the projects contained therein are constrained to revenues expected to be available. No longer will these documents be "wish lists" of projects that have no chance of being developed; they must be a realistic assessment of what the public agency can actually accomplish given a reasonable assessment of available funding. The financial analysis is to show available revenues and their sources with a comparison to proposed expenditures. Additionally, the required air quality conformity analysis must be based on a constrained plan.

Beyond the Requirements - Common Sense

Financial planning can be defined as the determination and balancing of relevant sources of anticipated revenues and expenses over a set period of time. It is generally required in order to:

- Improve resource allocation in the face of scarcity and competition among many communities

and agencies;

- Expose the needs for increased funding and new sources beyond federal sources;
- Commit to projects supporting conformance (with air quality standards), preservation and congestion management;
- Improve cooperative decision-making in the context of greater flexibility and new resource options; and
- Introduce budgetary, cash-flow and life-cycle disciplines in place of traditional methods.

Financial planning is performed by just about all agencies or organizations that maintain a budget and regularly assess anticipated revenues and expenditures. It is a necessary activity in order to properly maintain the financial health of the organization and to use all revenues in an efficient manner. Above all, financial planning is just common sense. Anticipation of future needs and whether there will be sufficient revenues to meet these needs is a necessary and prudent exercise.

Environment for Financial Planning in Southeast Michigan

Governments at various levels in the region responsible for delivering transportation services are directly involved in this task. There are 138 cities and villages, six county road commissions and one county department of public service in the region that have direct legal responsibility for maintaining the safety and efficiency of public streets and roadway systems. County road commissions are a particularly strong form of government in Michigan. Their jurisdiction covers some major and minor arterial roads in incorporated cities and villages and all public roads, including subdivision streets, in unincorporated areas. Road commissions have no taxing power but do receive an allocation of Michigan Transportation Fund revenue and have the ability to incur debt to fund improvements. They are also eligible to receive federal funds and can enter into agreements with other local units of government for road improvement programs. Of course the Michigan Department of Transportation also has significant responsibilities for the state trunkline system in the region.

Total route mileage in the region for roads under public jurisdiction is 21,496 (18% of the statewide roadway system). These roads range from Interstate freeways to primary arterials to subdivision streets. Of these, the county road commissions are responsible for over 10,600 miles and the Michigan Department of Transportation is responsible for approximately 1,300 miles. Cities and villages are responsible for the remainder. In addition to maintaining roadways, these agencies are responsible for 3,549 bridges in the region. The Michigan Department of Transportation is responsible for 1,936 bridges (54%); county road commissions maintain 1,215 (34%) and the cities and villages are responsible for 398 (12%).

Transit agencies are eligible to use federal-aid funds from the Highway Trust Fund for capital projects through the flexibility provided in ISTEA. There are five transit agencies in the region that are eligible; the Suburban Mobility Authority for Regional Transportation, the Detroit Department of Transportation, the Blue Water Area Transportation Commission, the Livingston Essential Transportation Service and the Lake Erie Transportation Commission.

Basic Steps in the Financial Plan

The methodology for the Financial Plan consists of the following nine steps:

- Surveying traditional funding sources for all modes at all levels of government;
- Collecting and reviewing data that describes the historical trends in revenues;
- Choosing an appropriate method for forecasting funds;
- Identifying appropriate assumptions to guide the forecast;
- Conducting the forecast and reporting results;
- Local government review and comment on forecast results;
- Identifying needs, proposed solutions and relevant costs;
- Comparing available revenues with proposed expenditures and developing an investment strategy and;
- Identifying unmet needs of the transportation system.

Much of this work entailed a review of the groundwork laid for the initial Financial Plan in 1993. Much of the work surveying funding sources and collecting data was accomplished in earlier work, although the data were updated where possible. The forecasting method was reviewed to determine whether it remained appropriate. And among the tasks key to the success of the financial plan was the review and comment by affected state, county and local governments. New for this Plan was the identification of the unmet needs, that is, those projects that were excluded due to a lack of funds.

Scope of Data

The financial planning task was limited to using data from existing sources as resources did not exist for new data collection. For the federal fund portion of the forecast, the annual reports on Highway Statistics published by the Office of Highway Information Management of the Federal Highway Administration were the main sources for federal revenue and expenditure data. Unpublished reports prepared by the local office of the Federal Highway Administration were also used. These reports contained apportionment and allocation data for all federal-aid highway programs for the State of Michigan and the formula for distributing funds for individual programs to all urban and rural areas in the state. The Michigan Department of Transportation also provided supporting documentation for these data.

Annual data on revenues were collected for the 1978 to 1995 period for the state and the region. Specific programs included the pre-ISTEA Federal Aid Urban System, Federal Aid Secondary, Hazard Elimination and Rail Grade Crossings programs and the 85 Percent Floor Funds. Data on the Surface Transportation Program and the Minimum Allocation and Donor State Bonus programs were also collected.

The Transportation Economic Development Fund (TEDF) is also a major source of revenue for roadway and transit projects and so is a major element of the Financial Plan. This is a state program that includes a portion of federal Minimum Allocation and Donor State Bonus funds coupled with set-asides of state user fee revenue from the MTF and driver license fee revenue from the state general fund. The Michigan Department of Transportation provided data on the annual transportation budget that identified the specific contributions to the TEDF.

Sources of Revenue for the Michigan Transportation Fund

In most states, state government has established a mechanism for collecting and distributing user fee revenues for improving all public roads. In Michigan, Public Act 51 of 1951 (as amended) directs the collection and distribution of revenues. The Act identifies sources of funding including fuel user fees, vehicle registration fees, driver license fees, interest on revenues, motor carrier fees, toll road and crossing facilities revenues and miscellaneous sources. These revenues are deposited in the Michigan Transportation Fund created by Public Act 444 of 1978 which amended Section 10 of Act 51. The MTF is the successor to the Motor Vehicle Highway Fund created by Act 51. In 1992 the State of Michigan created the Local Program Fund (LPF) as part of the Build Michigan Program. This program receives revenues from a set-aside from the MTF (before distribution) and from a second set-aside from the State Trunkline Fund, and currently receives $33 million annually from the MTF.

Distribution of MTF Revenues

The distribution of MTF revenues includes initial set-asides for administration and collection costs, a rail-highway grade crossing account, and the state contributions to the Critical Bridge program and the Transportation Economic Development Fund. The balance of revenues are distributed to the Comprehensive Transportation Fund (10%) for transit and to the State Trunkline Fund, county road commissions, cities and villages (90%). Over the years, these statutory percentages have varied widely, but they currently stand at 39.1 percent for the State Trunkline Fund, 39.1 percent for county road commissions and 21.8 percent for cities and villages. The revenues for road commissions, cities and villages are then distributed to individual jurisdictions by factors including primary and local road mileage and population. LPF revenues are distributed to counties, cities and villages in the same manner as regular MTF distributions.

Within certain limitations, communities can use MTF distributions for either capital improvements or operating and maintenance expenses. The Michigan Department of Transportation's audited Act 51 databases from 1970-1993 was the best source of information describing these trends. This database represented an extensive array of expenditure items and accounting procedures. The analysis focused on capital expenditures, drawing upon the definitions incorporated into these reports. Capital expenditures ranged from construction of new roads on a new location and widening of existing roads to the reconstructing or resurfacing of existing roads and paving of gravel roads. The approach for determining financial needs for various activities assumes, for the purposes of this forecast, that the share of revenues needed for operating and maintaining the roadway system at the local level in the future will be approximately the same as current trends. This share is in the range of 75 to 80 percent.

This analysis centered separately on county road commissions and on cities and villages. Data for all road commissions and all cities and villages in the state were included in the analysis. Our initial analysis of the Act 51 Financial Reports indicated that historically, approximately 35 percent of cumulative expenditures for county road commissions, cities and villages in the state were capital in nature. Unfortunately, it was not practical to perform further micro-level analysis of information obtained from this data source, given data limitations, including constraints with the state's accounting system with respect to mapping project level detail to the Act 51 reports. Therefore, we further refined our analysis by conferring with each county's Federal Aid Committee. Using the macro level information as a point of departure, reiterative meetings allowed us to

better ascertain local communities' trends. This additional analysis provided us with further information that was considered by all parties as being much closer to the communities' actual experience. This process allowed us to refine our capital expenditure factor considerably, to approximately 22 percent of total revenues.

Our final analysis indicated that estimated MTF revenues attributed to capital projects increased from $20.2 million in 1970 to $56.6 million in 1993, a 180 percent increase over the entire period, or approximately 8 percent per year (nominal dollars). While revenues generally increased, brief periods of decline were due to oil embargoes and economic downturns. The periods of increasing revenues can be attributed to economic upturns, increases in the state gasoline tax rate, and increases in travel, brought about by changing land use patterns. Finally, since 1984 vehicle registration fees have become an ad valorem tax, contributing to the revenue increase.

Sources of Revenue for Local Funding

Cities and villages in the State of Michigan have the ability to raise revenues primarily through their power to tax property, although this is strictly limited by the state constitution. No community is permitted to assess a vehicle registration fee or to assess its own gasoline tax.

Their power is typically manifested through special millages for roadway improvements, property tax revenues deposited into capital improvement programs or special assessments on property for special roadway maintenance or improvement projects. Cities and villages also have revenue raising capacity through debt instruments, mainly the sale of bonds. Typical county road commission sources may include contributions from local units of government and special assessment districts. Some road commissions also accumulate interest on investments of MTF.

As with the analysis of MTF expenditures, data pertaining to transportation revenues at the local level were obtained from audited Act 51 data files. However, given data limitations, we were constrained to data for a five year interval from 1990 through 1994. The stream of local revenues dedicated for capital improvements to the transportation system has not been constant. City and village revenues range from a high of $17.03 million in 1991, to a low of $13.81 million in 1990. Similarly, county road commission revenues have ranged from a high of $12.47 million in 1992 to a low of $9.23 million in 1994. Furthermore, when analyzed at the individual community level, the revenue stream was quite inconsistent, often with very high revenues in a given year, followed by several years of lower revenues. It has been suggested that these fluctuating patterns of revenues are due to communities' saving their funds over a period of time for a large project.

A capital expenditure factor was developed, similar to the MTF analysis, approximating expenditures for capital improvements. The same process was repeated, first with macro level analysis followed by interaction with the county level Federal Aid Committees. As was the case with the MTF analysis, this additional analysis provided us with information that was much closer to the communities' actual experience, yielding a capital expenditure factor of 20 percent.

Project Costs

Cost data for transportation projects were also reviewed during the planning process. These were stated in terms of per-mile and/or per-location costs. The Regional Transportation Improvement Program (TIP) Database was the primary source for these data. The Database contains project programming for all roadway projects in the region since 1992. While the actual costing of projects was conducted by the sponsoring agency, these data were assessed against TIP data to

assure the reasonableness of the estimates.

Forecast Methodology

Various methods of forecasting revenues were considered during the initial planning process in 1993, including the use of trend analyses, more complex econometric models and component analysis. All of these methods have advantages and disadvantages. However, among the major considerations in choosing an appropriate method were technical integrity, ease of application, compatibility with available data and the ease of understanding the method and outcome by local governments. The method chosen for the federal fund forecast was a trend analysis applied to statewide revenues coupled with the application of a component element that calculated revenues to each urban area in the state and also the rural areas. The MTF forecast used a trend analysis while the local revenue forecast used simple averaging due to limitations of available data. This is discussed below.

The trend analysis for federal funding employed a relatively simple regression equation to "straight line" the historic trend in annual revenues, seen in Figure 1, to the year 2020, the horizon for the Regional Transportation Plan. Once these annual forecasts were determined, the component analysis applied the percentage shares stipulated in ISTEA, shown in Figure 2, and state legislation to determine available revenues to the regions and to the Michigan Department of Transportation. Figure 2 shows the percentage splits for the distribution of STP, Interstate Reimbursement, Minimum Allocation, Donor State Bonus and 90 Percent of Payments for FY 1997. In this manner the STP Urban program, for example, remained financially constrained at the state

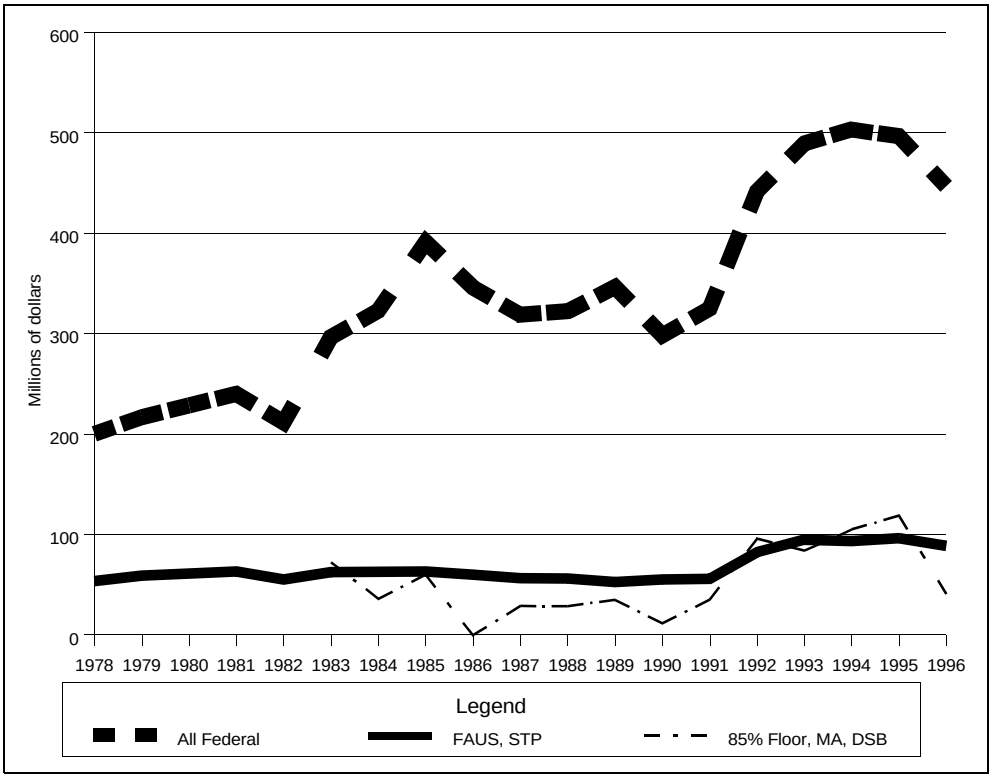

Figure 1: Historical trend in Federal Funds for the State of Michigan FY 1978-1996 (millions of nominal dollars)

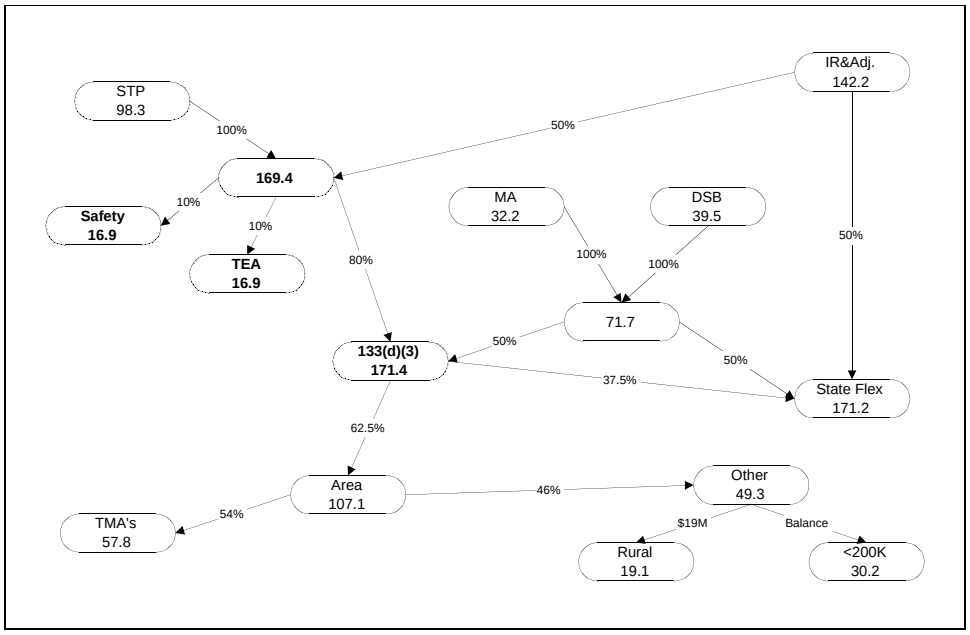

Figure 2: Distribution of STP, Interstate, Minimum Allocation, Donor State Bonus funds and 90 Percent of Payment funds, State of Michigan (FY 1997)

level.

The assumptions to any forecast are the backbone to a full understanding of the outcome. The assumptions for the federal fund forecast described below were developed with the intent of presenting the conditions under which historical revenues were generated and to suggest that future revenues will likely be generated under these same conditions. More specifically, the assumption dealing with socioeconomic factors refers to economic trends that affect travel demand such as gross domestic product, population, employment, personal income, household income and the price of gasoline. These factors affected the generation of revenues in the historic period and it is assumed that these same relationships, while not specified here, will continue during the forecast period. The following are the assumptions to the federal revenue forecast.

- The trend in user fee rates for gasoline and diesel fuel will continue (rates increased from 4 cents per gallon in 1978 to 18.4 cents per gallon in 1995);
- No change in the method of revenue distribution;
- Federal taxes on fuel and sales taxes on trucks, trailers and tires are extended beyond their current expiration date;
- No change in federal/state fund matching requirements;
- Limited or no erosion of revenues due to use of untaxable/alternative fuels;
- The future rate of change in socioeconomic factors affecting the transportation demand will follow historic trends.

The forecast resulted in the identification of $1.3 billion in federal funds available for capital improvements to the roadway system and nonmotorized paths and $570.1 million in revenue for

transit capital expenditures. The Michigan Department of Transportation identified $4.3 billion available for trunkline system improvements in the region. These estimates are stated in 1996 dollars in order to remain consistent with cost estimations stated in 1996 dollars.

Forecast of Michigan Transportation Fund Revenues

As with the federal revenue forecast, a linear trend model was used to forecast all future revenues. It was decided to apply twenty-four years' information in projecting the future anticipated revenues from this source. Generally, there was an upward trend over this period of time, with MTF revenues attributed to capital projects increasing from $20.2 million in 1970 to $56.6 million in 1993, a 179.9 percent increase over the entire period, or approximately 8 percent per year. These data are in nominal dollars and do not reflect the true purchasing power of the revenues.

In preparing the model, certain assumptions were considered an inherent part of the forecast:

- Changes in fuel tax rates will be consistent with historical rate modifications;
- No changes in the external distribution formula of Act 51;
- Future rate of changes in socioeconomic factors affecting transportation demand will be based on historical trends;
- The LPF will be reauthorized at $33 million per year;
- Limited or no erosion due to use of untaxable or alternative fuels.

Historical information was captured at the county road commission, city and village level, and forecasted on a county-wide basis, with the City of Detroit forecasted separately. The MTF was forecasted to provide $1.5 billion in revenues (1996 dollars) for the twenty-five years covered by the Plan. Due to the decline in purchasing power over time, these revenues decrease from $319.8 million in the 1996-2000 interval to $268.3 million in the 2016-2020 interval.

Forecast of Local Tax Revenue

The forecast of local tax revenues was based on the sources and data introduced previously. It was assumed that local communities would continue to provide funding for transportation projects at least at the same rate as was done historically. Further analysis of the data indicated that unlike the MTF revenues which have been comparatively stable, the revenue stream from local sources, particularly when analyzed by individual community, has been quite inconsistent. The data suggest that often some communities will provide a very high level of funding for transportation purposes in a given year. This would either be preceded or followed by several years of lower revenues.

Due to this fluctuation in revenues and the relatively short historical period, and to the data constraints, it was decided that an averaging of five years' historical revenues was preferred to a forecast based on historical trends, and was most comparable. As with the MTF forecast, only those revenues that were determined to be associated with capital expenditures were forecasted. These revenues were forecasted at a level of nearly $660.8 million, or almost $132 million per each five year increment. This would cover all county road commissions, departments of public services and 138 cities and villages in the region for twenty-five years. This equates to an annual average expenditure of $182,000 per year.

Implementation of the Forecast

The draft revenue forecast was distributed to representatives from the seven counties in Southeast Michigan and the City of Detroit for their review, comment and suggested changes. These representatives included managers, engineers and finance professionals who have extensive experience in the financial management aspects of transportation system development. The forecast was adjusted through this task to more accurately reflect local financing practices as long as the reason for adjustment was clearly documented. This was particularly important in the determining the split of user fee revenues dedicated to operating and maintenance activities versus capital expenditures.

Once a final set of revenue figures were agreed upon, local governments were subsequently constrained to these revenues in the submission and prioritization of transportation projects for the Regional Transportation Plan.

The input of local government, that is those agencies and communities legally responsible for the safety and efficiency of the transportation system, was considered crucial to a successful financial plan.

Regional Investment Strategy

The data shown in the table below summarize the total cost of all projects proposed for the Regional Transportation Plan. They represent projects from county road commissions, cities, villages, regional transit agencies and the Michigan Department of Transportation. These agencies propose to spend approximately $8.9 billion in federal and non-federal funds to address the bridge, pavement preservation, non-motorized, congestion, safety and transit capital needs of the transportation system in Southeast Michigan.

A closer examination of the proposed spending shows that, in terms of percentages, the largest share is for pavement preservation with 50.0 percent. Pavement preservation includes resurfacing or total reconstruction of roadways, streets and highways. Bridge rehabilitation comprises an additional 17.6 percent. This work includes a wide variety of activities ranging from resurfacing bridge decks to total reconstruction. With safety projects included at 7.1 percent, a full 75 percent of proposed spending will be on preserving the existing system. This is significantly higher, almost double, the proposed expenditures as scheduled in the Regional Transportation Improvement Program since 1993.

Congestion mitigation projects, i.e. roadway widening of at least one through lane, comprise only 16.8 percent of proposed spending. The Transportation Improvement Program shows that 29 percent of scheduled projects involved roadway widening. Road agencies consequently propose to reduce their spending on these types of projects by close to 42 percent. A major conclusion from these data is that the Michigan Department of Transportation, county road commissions and local communities are placing a greater emphasis on preserving the roadway system than they have in the recent past.

The regional transit agencies are also showing significant investments in transit capital improvements. Proposed spending in the RTP is, at 8 percent, a continuation of the recent trend as shown in the Transportation Improvement Program.

Regional investment strategy for the transportation system, Federal and Non-federal funds (thousands of 1996 dollars)

	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	Total	Percent of Total
Bridge Rehabilitation	284,172	298,073	290,776	341,717	342,810	1,557,548	17.6
Nonmotorized Facilities	10,046	9,128	8,188	7,061	6,724	41,147	0.5
Pavement Preservation	772,464	1,507,818	694,198	733,838	715,760	4,424,078	50.0
Safety Improvements	121,585	118,004	120,231	130,923	135,531	626,274	7.1
Congestion Mitigation	485,429	332,289	312,793	182,230	178,831	1,491,572	16.8
Transit Capital Purchases	112,805	164,230	146,799	115,249	176,327	715,410	8.0
Total	1,786,501	2,429,542	1,572,985	1,511,018	1,555,983	8,856,029	100.0

Forecasting Issues

As may be expected, a number of issues arose during the planning process that required significant attention. The first was the need to understand that the forecast was about other people's or agency's money, actually public tax dollars. The heightened interest of the public and elected officials as to how these funds are spent in the state also dictated the need to be clear and concise. This was considered by allowing sufficient time for review and comment of the forecast. A second issue involved the extent of the use of locally raised revenues for transportation purposes. Conflicts arose between data indicating that local governments use property-tax based revenue for capital projects and community officials who indicated precisely the opposite. A proposed future study of the how local revenues are used for transportation services in Southeast Michigan will attempt to answer this question. Many local officials were highly skeptical of forecasting for a twenty-year horizon, although they understood the requirement. While it appears the requirement will remain, the next Financial Plan will be expanded to provide a more detailed five-year investment strategy as a subset of the twenty-year Financial Plan.

One major issue centered on the assumed split of revenues from state and local sources used for operating and maintenance activities versus capital projects. The split was based on analyses of expenditure data as reported by the responsible agency. Difficulties arose in the interpretation of the data, despite the care taken to follow the accounting definitions accompanying the data and the assistance of finance staff from the Michigan Department of Transportation. A working group of local officials has been proposed to study this question and provide guidance for the next Financial Plan.

Summary

Many of the professionals we worked with during this planning process asked the question, "why are we doing this?" That came to be a tough question to answer and is the epitome of the challenge we faced. However, at the same time in our region, this process made local officials stop and think about what they are doing for the future of improving the transportation system. Using the Regional Transportation Plan as a forum, they are now discussing projects among themselves, making tough decisions on setting priorities for transportation funding.

However, we must continue to work to make financial planning for our plans and programs make sense. We must realize it is more than a technical exercise of forecasting revenues and expenditures. It is an exercise in cooperative decision-making among governments to provide the best transportation system possible.

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