

# Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

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**TO:** Transportation Advisory Board

**FROM:** Technical Advisory Committee Funding & Programming Committee,  
Technical Advisory Committee.

**DATE:** November 10, 2010

**RE:** Policy questions: Reallocation of federal funds from local projects dropped from the TIP and allocation of federal funds from unexpected appropriations.

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The TAB referred two policy questions to the TAC Funding & Programming Committee and full TAC for discussion and report back to the TAB. The TAC Funding & Programming Committee discussed the two issues at their October meeting and full TAC discussed them on November 3. The following bullet points encapsulate their comments.

## **Re-allocation of federal funds from projects selected by the TAB that are dropped from the TIP.**

(Question was prompted by the re-allocation of CMAQ funds for the purchase or LRT vehicles)

- The TAB has adopted policy on re-allocating the federal funds from regionally-selected projects that are dropped from the TIP and STIP. The federal funds are first applied to the amount of local overprogramming in the TIP and STIP; then used to advance regionally selected projects or other MN/DOT projects; then used to pay back Advance Construction balances.
- TAC F&PC discussed several options (add \$ to other projects in the same corridor, pick the next ranked project on the regional solicitation list, fund bus replacements with dropped CMAQ \$).
- TAC F&PC preferred to re-allocate the funds in the same program they came from and to support the long-held practice of funding projects not agencies. Re-allocating the funds through the regional solicitation process is the most fair and accessible means.
- TAC F&PC supported the existing adopted policy. No change was recommended.

## **Allocation of transportation funds that come to the region (TAB) unexpectedly.**

(Question prompted by the ARRA program and can be used to advise regarding the extra FFY 2011 funds)

- The TAC F&PC identified several options (special solicitation, advance local projects and backfill through the regional solicitation, pay AC balance and backfill through the regional solicitation, distribute funds to counties).
- Difficult to write a single policy because the funds may come to the region with conditions or limitations that cannot be predicted.
- Difficult to allocate unexpected federal funds quickly, within one year, because local governments need time to develop projects through the federal process.
- Difficult to allocate unexpected federal funds fairly, especially a small amount of funding, because there are so many potential project sponsors.
- Generally, the TAC F&PC supported exchanging the unexpected funds with MN/DOT and allocating the traded funds through the regional solicitation process as the most equitable and fair.