

# Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

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**TO:** Transportation Advisory Board  
**FROM:** Kevin Roggenbuck, Transportation Coordinator  
**DATE:** January 12, 2012  
**RE:** Conditions for making exceptions to TAB's federal fund re-allocation policies.

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In December, the TAB Programming Committee discussed adopted regional policy on the re-allocation of federal funds previously awarded by the TAB through the regional solicitation process, and the conditions or circumstances when the TAB might make exceptions to these policies. It is difficult to develop guidelines on how to make exceptions to policy because "exceptions" by definition are unique situations. The committee offered several comments:

- Rules should not be too narrowly defined or codified. Perhaps a variance process could be developed.
- TAB should consider what might be lost and what has already been invested.
- A larger majority vote could be required to pass policy exceptions.
- TAB should have general standards in place.

To assist the committee and further the discussion, below are three scenarios where the TAB could be or has been asked to make an exception to its federal fund re-allocation policies. These scenarios apply to all funds awarded through the regional solicitation process.

1. Re-allocating federal money from projects that have been dropped from the TIP or reduced in scope.
  - In 2009 solicitation, TAB over programmed by \$8.3 million (federal) in program years 2013 and 2014. Since then, \$10.7 million (federal) in regionally selected projects have been dropped from the program. The money that is dropped is applied to the over programming balance. When the over programming balance is paid off, any additional federal funds from dropped projects are added into the next regional solicitation for projects to be programmed four or five years later.
2. Re-allocating federal money from projects currently programmed in the TIP or as part of a scope change that saves money on a regionally-selected project.
  - In July 2010, TAB was asked to re-allocate CMAQ funds from two bus purchase projects for planned service expansions to purchase three light rail vehicles for the Hiawatha line. The project sponsors for the bus purchase projects told the TAB that the transit market had been affected by the recession and service expansion was no longer viable. The TAB voted to re-allocate these funds to purchase LRT vehicles because it was an opportunity to use the funds for a project that provided similar or perhaps greater benefits to the regional transit system.

- In November 2011, the TAB was asked to re-allocate CMAQ funds from two transit service expansion projects including bus purchase, ancillary equipment and start-up operating costs to cover the operating cost for new BRT service on Cedar Avenue. Operating funds for Cedar Avenue were not available due to legislative budget cuts. The request included a project scope change for the I-35W CMAQ project and CMAQ funds that were made available when part of the I-35W project was built through the Urban Partnership Agreement. The TAB voted to approve the scope change and re-allocation of funds because the infrastructure for Cedar Avenue service would be in place but the operating funds were not available.
3. Allocating federal money “off the top” of the regional solicitation funding pot.
- Best examples are in the CMAQ program, where many different air quality improvement projects or programs are eligible, but the region has decided to focus the money on public transit expansion, transportation system management and travel demand management projects. In the 2007 regional solicitation, the TAB awarded funds for the diesel retrofit program, which included installation of filters on heavy trucks owned by public agencies to reduce the amount of particulate matter released into the air in the exhaust. The project was eligible and showed an air quality benefit, but did not fit within the CMAQ project categories. TAB is currently considering a request for CMAQ funds in this manner for the installation of electric vehicle recharging infrastructure.