

## Transportation Advisory Board of the Metropolitan Council of the Twin Cities

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**TO:** TAC Funding & Programming Committee

**FROM:** Federal Program Delivery Work Group

**DATE:** September 14, 2012

**RE:** Proposed changes to the region's adopted sunset date policy; proposed consultation process for requested project scope changes to regionally selected projects.

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Since ISTEA, regional policies and rules have allowed a continuous shift of regional solicitation projects from year to year, under the auspices of flexibility and accommodation for local program delivery challenges. These policies have evolved into a practice that results in a local federal program that is substantially delaying important regional projects as reported in the STIP.

An analysis of the regional program indicates a delivery problem that translates into a transparency and accountability problem. Over the last 10 years, only 35% of the program was delivered in the original program year, 32% of the program was let in the sunset year, 20% get a sunset date extension and deliver. In the end 13% of the projects are not delivered.

Over the years, MnDOT has adjusted the federal program in an effort to accommodate movement of federally funded projects. This practice has resulted in a number of programming challenges that, in the end, put in jeopardy Minnesota's ability to fully utilize federal funds. This practice also results in a very large regional federal program in the first year of the STIP. In 2013, the current STIP shows over 100 million in STP urban guarantee funds alone – roughly 40% more than available. MnDOT has continued to exercise flexibility in programming federally funded projects in an effort to offset this condition, through adjustment of the MnDOT program, early conversion of AC funds, or other program tools. In 2010 and 2011, MnDOT was left with very little flexibility after accommodating the shift of regional federal projects from year to year. The 2012 federal construction program proved challenging from a number of perspectives and for the first time, Minnesota faced a real possibility that federal funds would go unspent. Without the concerted efforts from a number of transportation partners including FHWA, Counties and Cities, as well as the extensive use of a variety of MnDOT's program tools Minnesota would have lost federal funds.

MAP-21 ushers in some new flexibility, but brings with it, some complications. This new federal bill introduces performance measures and targets, tying spending of funds to specific outcomes. The result will be much more difficulty in shifting funds around. As such, MAP-21 makes now the time for change.

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