

Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

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.

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.