

Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

TO: Transportation Advisory Board
FROM: Kevin Roggenbuck, Transportation Coordinator
DATE: October 12, 2012
RE: Federal Funds Management Process.

TAB Programming Committee co-chair Jim Hovland asked that staff add information and discussion item to the October agenda to discuss what happens to federal funds from regionally selected projects that are withdrawn or dropped from the Transportation Improvement Program.

The TAB has adopted policy on the reuse of these federal funds. The policy was developed through the Technical Advisory Committee and adopted by the TAB in 2002. The adopted policy still in the form of the old action transmittal is attached.

Recently, the TAB voted to essentially re-program federal CMAQ funds from two bus purchase projects to the purchase of light rail transit vehicles. The TAB directed the technical committees to provide advice on two policy questions, one of those questions was should the TAB change its policy on the reallocation of federal funds from regional solicitation projects that are dropped from the TIP. The TAC provided a memo summarizing their discussion and their recommendation. That memo, dated November 10, 2010 is attached.

The passage of MAP-21 will change how the region and how MnDOT manages the federal funds we allocate. MnDOT is working with a large group of stakeholders in a statewide task force to fully understand the impacts of MAP-21. Staff would like to point out that the adopted policies attached to this memo are current, but MAP-21 will likely require changes to this process.

TRANSPORTATION ADVISORY BOARD
Mears Park Centre, 230 E. Fifth St., St. Paul, MN 55101

A C T I O N T R A N S M I T T A L

NO. 2002-16

DATE: August 15, 2002
TO: Transportation Advisory Board
FROM: Technical Advisory Committee
SUBJECT: Adoption of TAB Procedures for Project Selection and Changes and Federal Funds Management

MOTION: That the Transportation Advisory Board approves the attached:

- 1) Project Selection Process and Changes
- 2) Federal Funds Management Process

BACKGROUND AND PURPOSE OF ACTION: Over the past year two issues have been raised with the TAB/Council process for regional selection of projects, subsequent changes and the management of federal funds once projects have been included in the TIP.

The two attachments are intended to articulate the methods the TAB and Council will use to carry out these functions in the future in conjunction with Mn/DOT and the TAC. Once adopted, these procedures will be incorporated into the Prospectus for the Transportation Planning Process for the Twin Cities Metropolitan Area.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review and Recommend	July 25, 2002
TAC	Review and Recommend	August 14, 2002
TAB Programming Committee	Review and Recommend	
TAB	Review and Adopt	
Metropolitan Council	Concur	

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TRANSPORTATION ADVISORY BOARD

PROJECT SELECTION PROCESS AND CHANGES

Introduction

Recorded below are the key steps in the development, adoption and amendment of the regionally selected projects

In order to meet federal regulations concerning participation of locally elected officials, the Council has adopted the position that the Transportation Advisory Board (TAB) is responsible for assigning funding priorities and adopting programs. The Council may approve or disapprove a program in part or whole, but it will not modify it. If modifications are required, the program is sent back to the TAB with the Council's recommendations. The TAB then determines the manner in which the program will be resubmitted to the Council. This document is intended to describe this process and amendment procedure.

Regional Project Selection Process

1. The Technical Advisory Committee's (TAC) Funding & Programming Committee (F&PC) develops the draft project solicitation package.
 - The TAC and TAB Programming Committee participates in the process.
 - The TAB approves for purpose of holding a public meeting.
2. The F&PC modifies the solicitation package based on public and agency comments, and recommends to TAC.
 - The TAC and TAB Programming Committee recommend to TAB.
 - TAB adopts and recommends Metropolitan Council approval.
 - The Metropolitan Council's Transportation Committee recommends to the Metropolitan Council for approval.
3. The F&PC manages all aspects of the solicitation including scoring of projects and developing funding alternatives.
4. The F&PC develop and forward project selection alternatives to the TAC.
 - TAC reviews, recommends and forwards to the TAB Programming Committee.
 - The TAB Programming Committee discusses alternatives.
 - The TAB Programming Committee may drop, modify, or add to the recommended alternatives.
 - The TAB Programming Committee recommends one set of projects for funding to the TAB.
 - The TAB approves the recommended projects, modifies the list or selects a different alternative set of projects.
 - The TAB instructs staff to include the funding alternatives in the TIP.
 - The TAB holds a public hearing on the TIP, with the recommended projects prior to adoption.

5. The TAB adopts the TIP and recommends to the Metropolitan Council for concurrence. The Metropolitan Council's Transportation Committee reviews and recommends the TIP to the Council. The Council either concurs with the TAB's action or sends the entire TIP back to TAB for modification.

Modification of the Regional Project Selection prior to TIP Adoption. *

There may be instances that the TAB would be requested to modify the regionally selected projects prior to adopting the TIP. In this event the following procedures would be followed.

1. All proposed modifications to the recommended list of regionally selected projects would be referred to the TAC.
2. The TAC will seek the advice on proposed modifications (other than those of a clerical nature) of the F&PC.
 - The F&PC will review the request to determine whether the proposed modifications(s) are in the spirit of the solicitation process and maintain the fiscal balance of the TIP.
 - The F&PC will recommend approval or rejection of the proposed modifications to TAC.
 - TAC and TAB Programming will consider and recommend to TAB.
 - TAB will accept and direct staff to modify the Draft TIP.
 - The Draft TIP adoption process will not change.

* There are numerous instances when regionally selected projects need to be modified, dropped, advanced or changed in some way. These changes would all be processed as TIP Amendments. TIP Amendments and/or in accordance with the Federal Funds Management Process attached.

Transportation Advisory Board (TAB) Federal Funds Management Process

Transportation Improvement Program (TIP) Management: Assigning alternative uses for federal transportation funds when projects in the TIP are, deferred, withdrawn, sunset, or advanced.

The TAB gives the Mn/DOT Office of Investment Management (OIM) the authority to manage changes in the Twin Cities TIP and State TIP. Projects in these programs can be advanced or deferred based on project deliverability and funding availability, provided fiscal balance is maintained. The process assumes some projects will be deferred, withdrawn, sunset, or advanced. The priority for use of funds made available when projects are deferred, withdrawn, sunset or advanced will be:

Projects Selected by the TAB:*

Project Deferrals	Projects withdrawn or sunset
<ol style="list-style-type: none">1. Advance a regionally selected local project.2. Advance a regionally selected Mn/DOT project.3. Advance other Mn/DOT projects in the metro area.4. Payback local Advance Construction (AC)5. Payback other metro area AC.	<ol style="list-style-type: none">1. Pay for project cost inflation or overprogramming on regionally selected projects. <p>Then follow steps 1-5 from project deferrals.</p>

Projects Selected by Mn/DOT:

At the discretion of Mn/DOT.

Projects Selected by the Metropolitan Council/Metro Transit:

At the discretion of the Metropolitan Council/Metro Transit.

*Projects selected by the TAB are solicited in the categories; Principal Arterial, A Minor Arterial Reliever, A Minor Arterial Expander, A Minor Arterial Connector, A Minor Arterial Augmentor, Transit, Bike/Walk, Enhancements, Congestion Mitigation Air Quality, TEA 21 Affordable Housing Enhancement Demonstration, Bridge Improvement and Replacement, Hazzard Elimination Safety, and Rail Crossing Safety

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.