

CONSIDERATION of USE OF
FLEXIBLE FUNDING
PROVISIONS UNDER 23 USC AND 49 USC
IN MULTIMODAL TRANSPORTATION PLANNING

Final Report



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14. ABSTRACT
The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) provided flexibility for states and local areas to determine the most appropriate use of federal transportation funds to support transit or highway projects based on local planning priorities. This flexibility provision was continued in the successor legislation, the Transportation Equity Act for the 21st Century (TEA-21). The flexible funds under the transportation legislation include those from the Federal Highway Administration (FHWA) Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement program (CMAQ), National Highway System (NHS), Transportation and Community and System Preservation Pilot (TCSP), and Federal Transit

Administration (FTA) Urban Formula (Section 5307) grants.
 This study effort explored the processes, successes, and issues in metropolitan planning that affect decision-making associated with utilization of the program funding flexibilities enacted in ISTEA and continued through TEA-21. This involves flexing funds between FHWA and FTA programs, as well as use of the considerable program flexibility through multimodal eligibility. Flexible funding, in this context, includes all flexing of program dollars between FTA and FHWA (in either direction) from any eligible funding source. It is comprised of formal transfers of FHWA funds to FTA for transit purposes, formal transfers from FTA funds to FHWA for highway purposes, and direct use by FHWA or its grantees for transit purposes.

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A. Executive Summary

The *Intermodal Surface Transportation Efficiency Act* of 1991 (ISTEA) provided flexibility for states and local areas to determine the most appropriate use of federal transportation funds to support transit or highway projects based on local planning priorities. This flexibility provision was continued in the successor legislation, the *Transportation Equity Act for the 21st Century* (TEA-21). The flexible funds under the transportation legislation include those from the Federal Highway Administration (FHWA) Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement program (CMAQ), National Highway System (NHS), Transportation and Community and System Preservation Pilot (TCSP), and Federal Transit Administration (FTA) Urban Formula (Section 5307) grants.

AECOM Consult conducted this study effort to explore the processes, successes, and issues in metropolitan planning that affect decision-making associated with utilization of the program funding flexibilities enacted in ISTEA and continued through TEA-21. This involves flexing funds between FHWA and FTA programs, as well as use of the considerable program flexibility through multimodal eligibility. Flexible funding, in this context, includes all flexing of program dollars between FTA and FHWA (in either direction) from any eligible funding source. It is comprised of formal transfers of FHWA funds (including STP, CMAQ, and others) to FTA for transit purposes, formal transfers from FTA funds to FHWA for highway purposes, and direct use by FHWA or its grantees for transit purposes¹.

The study included the examination of prior studies and utilization of telephone interviews in nine metropolitan areas. Interview results showed that:

- transit agency management, transit agency staff, MPOs, and state DOTs all have thorough understanding of the procedures to transfer funds
- The level of understanding and the willingness to flex funds are entirely different.
- Other participants in the planning process such as transit boards of directors, local jurisdiction officials, and local area stakeholders have less understanding of the flexible funding provisions.

Pre-disposition to consider flexible funds seems heightened in states that sub-allocate program funds to urbanized areas within those states, thereby giving local officials in those areas greater program authority. Effective practices noted during the course of the interviews included:

- increasing the level of small urban and rural transit service at the state level in Kansas through bus and van purchases enabled by direct use without transfer of funds between federal budgets
- North Central Texas project evaluation: setting regional priorities using flexible funding categories
- State of Kansas suballocation of CMAQ funds to metropolitan areas: empowering metropolitan processes to address additional flexible funding sources voluntarily

¹ FTA statute does not allow direct use of FTA dollars for highway use.

- New York State funding targets: structuring project evaluation to erase mode orientation²

More detailed case studies were conducted in Albany, NY; Dallas, TX; and Kansas City. These case studies revealed a range of practices of suballocating flexible funding to metropolitan areas and varying practices in programming flexible funds.

Summaries of both transfer (formally transferring funds between FHWA and FTA; to be administered under the procedures of the agency that the funds are transferred) and direct use (utilization of FHWA funds for transit purposes without formal transfers) are presented in the appendices.

² The project selection process utilized by the Capital District Transportation Committee (the MPO that includes the state capitol, Albany) has also been documented under “Albany-Schenectady-Troy, NY” on page 19 and as an effective process in a companion report, “Transit at the Table: A Guide to Participation in Metropolitan Decision making” (USDOT, 2003; publication DC-26-1001-01).

B. Assessment of Role of Flexible Funding in Transportation Planning in Nine Metropolitan Regions and their States

Assessment Process

Telephone interviews were conducted in nine selected metropolitan areas. For each metropolitan area, the research team interviewed at least one transit agency, representative(s) of the Metropolitan Planning Organization (MPO), and the corresponding state department of transportation (DOT). The results of the reviews were used to select three case studies from which the team subsequently documented effective practices that may be helpful to other metropolitan area throughout the United States. The telephone interview guide is included in Appendix A as a reference to this document.

The metropolitan areas selected for interviews are:

- Albany
- Columbus
- Dallas
- Denver
- El Paso
- Kansas City
- Louisville
- Los Angeles
- Washington

Details of the interview guide and the entities interviewed are contained in Appendix A.

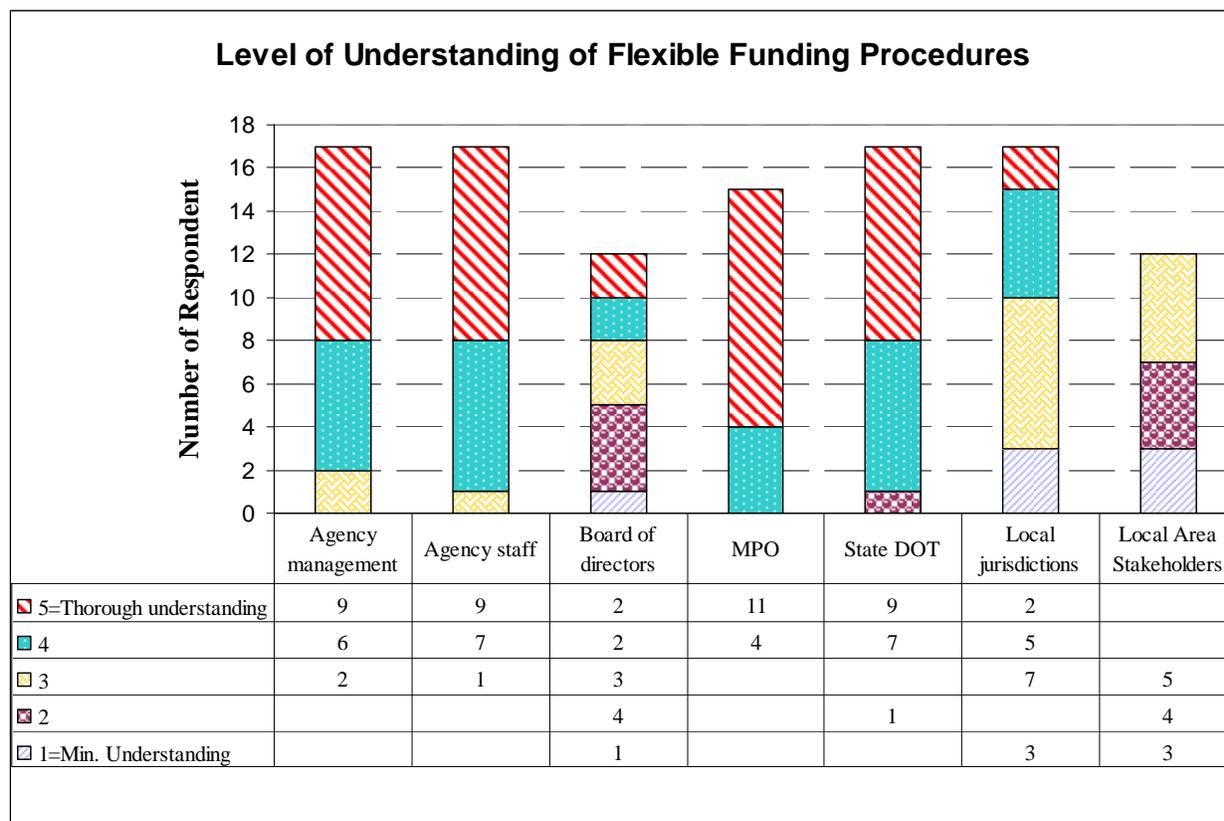
Selected Results

The interview tool contains three multiple choice questions aiming to examine the knowledge and understanding of flexible funding by different groups involved in the transportation planning process, including transit agencies management, transit staff, transit boards of directors, MPOs, state DOTs, local jurisdictions, and local area stakeholders. Although the interviews were open ended enough that not all participants answered each of these questions, based on the full range of interviews and the case study conversations, the research team believes the results presented below are representative of the industry understanding of flexible funding.

Additional observations are presented after the multiple choice questions results. Appendix B of this report also presents a matrix summary of practices.

Knowledge/Understanding of Flexible Funding

QUESTION: Rate from 1-5 how well the ability and procedures to transfer funds between federal transit grant and federal-aid highway fund programs is understood by the following groups, where 1=minimal understanding and 5=thorough understanding:

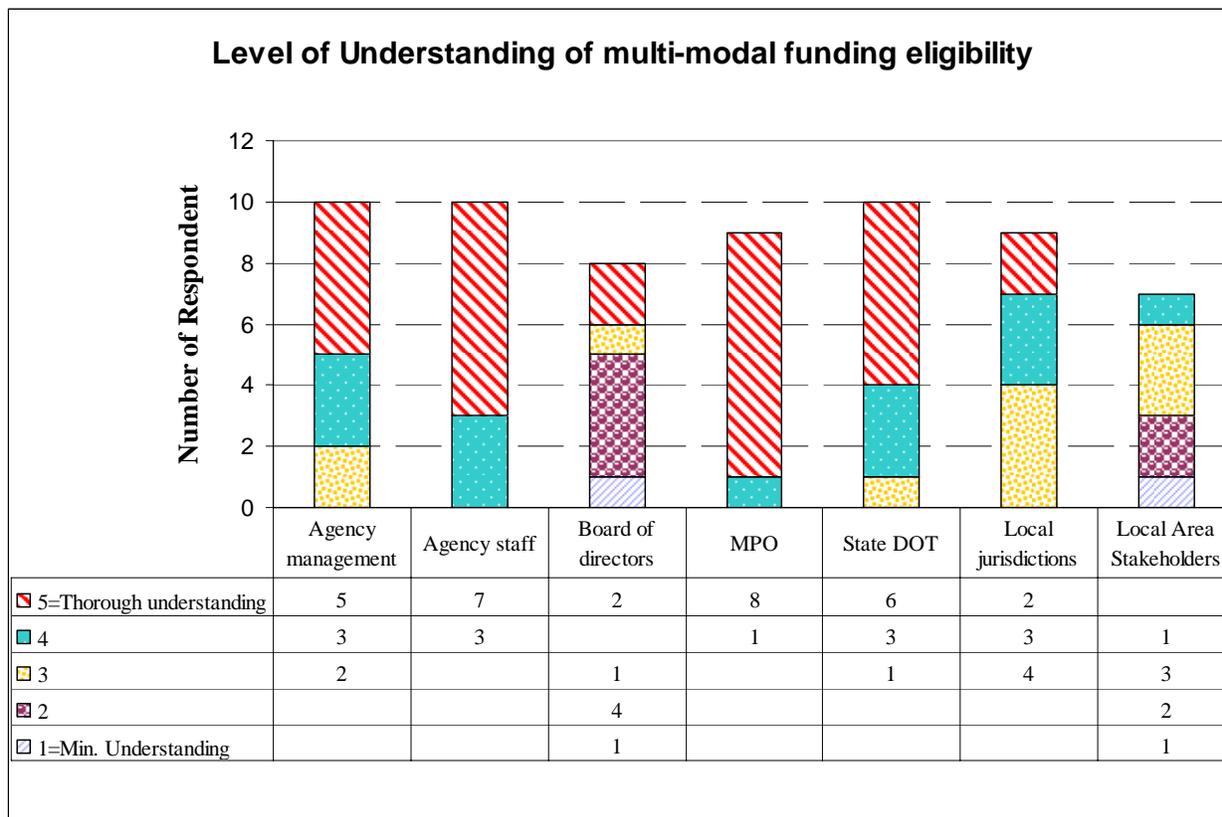


RESULTS:

Agency management, agency staff, MPOs, and state DOTs all have a thorough understanding of the procedures to transfer funds. However, during our interviews, many respondents emphasized that the level of understanding and the willingness to flex funds are entirely different.

Although boards of directors, staff of local jurisdictions, and local area stakeholders play roles that can be critical in the planning process, they often do not spend as high a percentage of their time in metropolitan transportation planning as do the MPO staff, the cognizant transit staff, and the cognizant DOT staff. Therefore it is not surprising that the directors et al were judged to have less understanding than the transportation agency staff. In view of the importance of the role of the directors and local jurisdiction representatives, outreach may be appropriate.

QUESTION: Rate from 1-5 how well multi-modal funding eligibility within the federal-aid highway and federal transit programs is understood by the following groups, where 1=minimal understanding and 5=thorough understanding:

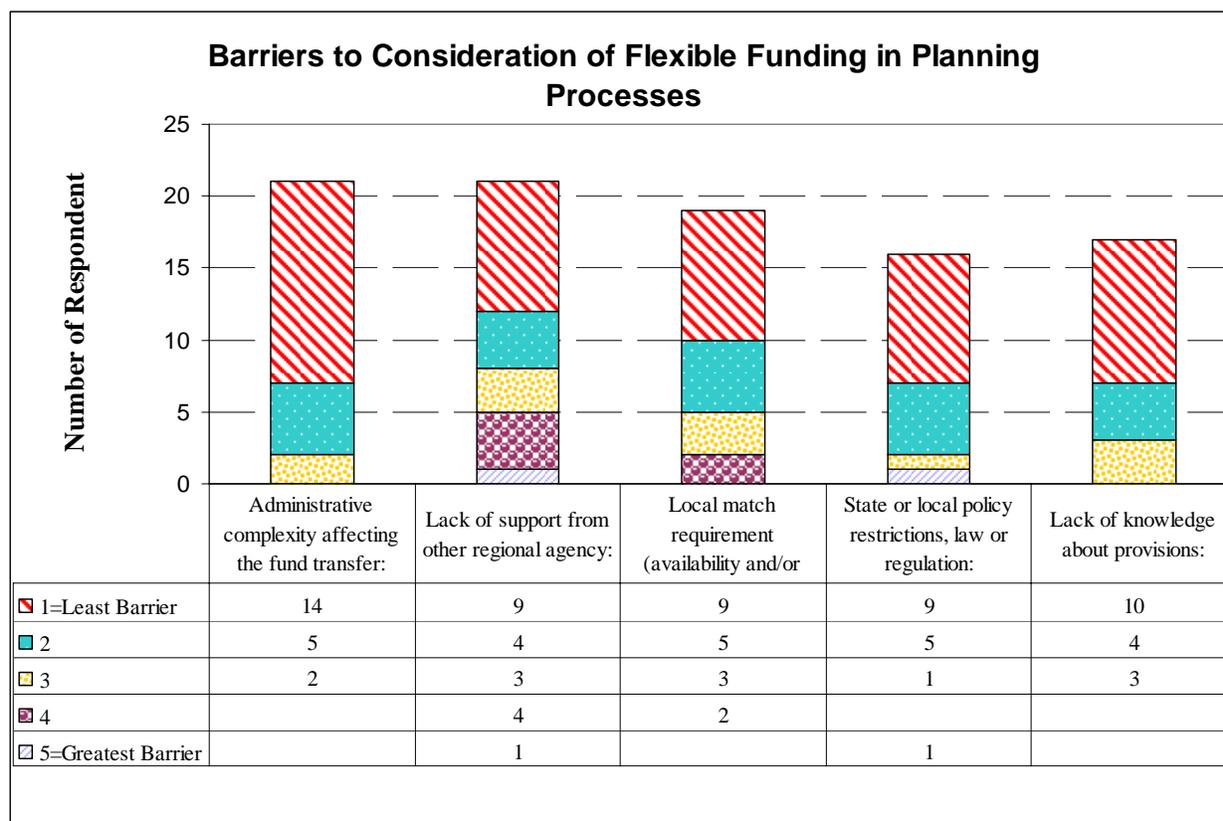


RESULTS:

Similar to the prior question, transit agency management, transit agency staff, MPOs, and state DOTs all have the more thorough understanding of multi-modal funding eligibility. As in the previous question, transit boards of directors, local jurisdictions, and local area stakeholders were deemed by the respondents to have less understanding than transit, MPO and DOT staff.

Barriers to Consideration of Flexible Funding in Metropolitan Planning

QUESTION: Our previous research has identified the following general barriers to utilization of program flexibility. Please rate how prohibitive you perceive these barriers. (1 being least barrier, 5 being greatest barrier)



RESULTS:

- Administrative complexity affecting fund transfer was not an issue for respondents.
- Although the lack of support from other regional agencies is a barrier for several respondents, most felt that the other regional agency is supportive most of the time.
- Local match requirement for flexible funding is not a heavy burden.
- Setting aside the availability of local match funds, state and local policy is not a barrier factor in flexible funding planning process.
- Knowledge of flexible funding is high and is not a barrier.

Other Interview Observations

MPO Programming Authority

- STP-Metro and CMAQ funds are generally programmed through the MPO.

- Some states retain programming responsibility for CMAQ; projects may compete statewide (e.g., Kentucky).
- Some states give MPOs additional authority for programming other highway funds (e.g. several states suballocate STP-TE funds to MPOs; Missouri and Kansas voluntarily suballocate Bridge funds to MPOs for programming).

Project Selection Process

- In most of the areas interviewed, the MPOs categorize projects by type, then rank and select projects within the categories; the categories may or may not cross funding programs (i.e. STP-Metro and CMAQ).
- In Columbus, the MPO categorizes projects for STP funding in five broad categories, including a category for demand reduction projects (which includes transit bus replacement and other transit projects).
- In some areas, target funding percentages are assigned for project types
- In Denver, projects are submitted in one of seven categories with pre-established funding targets for the first 85% of available funds; the target for transit capacity projects is 10% of available funding.
- In Kansas City, projects considered for CMAQ funding are separated into five categories with pre-established funding percentages; 35% of the available CMAQ funding is programmed for transit projects.
- In Albany, project categories (not tied to funding source) and funding targets are established through the long range transportation planning process; the first round of project selection for the Transportation Improvement Program (TIP) is focused on project merit and achieving the targets established for each category in the Long Range Transportation Plan.
- Columbus is implementing a process for assigning projects for CMAQ funding to four broad categories and establishing broad funding percentage targets for each over the four-year TIP period.
- Some areas separate the pots of money completely, with different criteria and even committees used to select projects for funding.
- In the bi-state Kansas City metropolitan area, the MPO's CMAQ Selection Committee recommends projects for funding with Missouri CMAQ funds; separate Missouri and Kansas Bridge/STP Subcommittees recommend projects for Bridge and STP-Metro funding within their states.
- Many MPOs have recently or are in the process of modifying their project selection processes to better meet regional needs.

Barriers to the Consideration and Use of Flexible Funding Provisions

- The overall pie is too small.

- Some modal bias is still noted, particularly at the state DOT and Municipal/County level.
- Matching requirements are more of an issue with a downturn in the economy; for some transit agencies, however, the matching requirements actually work to their advantage, because they have dedicated sources of funds.
- Some states can more readily match Federal funds used for one mode than when the funds are used for the other mode (e.g., where gas tax revenues are the most readily available matching funds but cannot be used to support transit).

Other Threats/Vulnerabilities

- There is uncertainty regarding next federal funding legislation: if funding programs are reduced, there is a perception that it will be more difficult to overcome the sense of entitlement and to use funds flexibly.
- A traditional mindset for the use of certain funding programs, particularly STP, hinders the funds from being flexed.

Lessons Learned to Share with Other Metropolitan Areas

- Communication and cooperation with counterparts in planning process is important.
- Stakeholder participants must demonstrate sensitivity to the needs of all parties at the table.
- Transportation planners must work on improving communication and awareness of what's possible to do and why the region would want to do it.
- Having an appropriate mix of individuals on MPO committees is crucial for true multimodal decision making.
- Experienced, moderate individuals benefit the process, as do individuals with broad perspectives demonstrating balanced composition of backgrounds.

Some Approaches That Work

- Segregating funding pots, assigning projects to categories, and establishing funding targets for specific categories can help reduce turf battles in project selection.
- Several regions are re-examining their evaluation criteria for highway and transit projects so that projects can compete competitively.
- Negotiation and compromises are made (swapping of funds) to meet local and state needs.

C. Compilation of Direct Use Data

The term to “Transfer” funds is generally used currently to refer to the transfer of funds from FHWA to FTA or the reverse and the funds would be administered under the procedures of the agency to which the funds are transferred. To be more specific, this report refers to this as “transfer flexing.” In addition, direct use is also permissible and practiced, and this report uses the term “direct use” to refer to the flexing of funds without transfer between FHWA and FTA. Appendix D presents an analysis of transfer and direct use. The analysis is based on data available for 1993-2002 from FHWA’s Fiscal Management Information System (FMIS), and FTA³. Analysis of direct use and transfer is presented in each case as a percentage of the total of the originating administration funds, regardless of program. For example, direct use of FHWA funds to transit projects is expressed as a percentage of total FHWA funding (apportionment and allocation combined). The graphs present the nationwide trend across the years, and then present individual state’s experiences for the entire time period.

Graph Title	Graph Analysis
50 State Total Direct Use of FHWA Funds For Transit as a Percentage of Total FHWA Funding	Direct use of FHWA funds for transit purposes (without formally transferring the funds to FTA) as a percentage of total FHWA grant funding (all programs) is less than one half of one percent and tends to peak at the time of reauthorization. Setting aside the reauthorization peaks, there is a slight increase in direct use over the 10-year period
50 State Total Transfer to Transit as a Percentage of Total FHWA Funding	Transfer (when funds are formally transferred from FHWA to FTA) is roughly ten times as great as direct use and displays the same chronological pattern.
Direct Use and Transfer for 50 States Total as a Percentage of Total FHWA Funding	The sum of direct use and transfer to transit ranges from 1.8 % to 5.1 %, reaching that maximum at the end of the authorization cycle.
50 State Total Transfer to Highway as a Percentage of Total FTA Funding	With the exception of 1996 and 1997, flexing of FTA funding to FHWA has been less than one tenth of one percent of total FTA funding.
50 State Total STP and CMAQ as a Percentage of Total FHWA Funding	STP and CMAQ are the primary programs that have been flexed from FHWA to transit. To gauge the percentage of total FHWA funding flexed relative to these programs, STP and CMAQ funding constitutes 20 to 25% of total FHWA funding.
Direct Use of FHWA Funds For Transit as a Percentage of Total FHWA funding 1993-2002	The percentage of total FHWA funding used for transit directly is shown for each state in alphabetical order.
Transfer to Transit as a Percentage of Total	The percentage of FHWA funding transferred to FTA is shown for each

³ Detailed data sources are discussed in Appendix D.

FHWA funding 1993-2002	state in alphabetical order so that they can be compared with the preceding graph.
Direct use and Transfer as a Percentage of FHWA Funding	The sum of direct use and transfer is shown, rank ordered by the percent transferred. Although the direct use percentage in general correlates with the transfer percentage, there are sufficient increases in certain states' direct use percentage as the transfer percentage declines: Connecticut, Maine, and Alaska are examples.
Transfer to Highway as a Percentage of Total FTA funding 1993-2002	Only seven states transferred FTA funds to FHWA over the ten-year period, and the greatest percentages were in Utah and Rhode Island.
STP & CMAQ as a Percentage of Total FHWA Funding 1993-2002	To gauge the percentage of total FHWA funding flexed to transit in the respective states, the percentage of total funding available in the STP and CMAQ programs is shown for each state, ranging from 15% to 29%.
% Direct Use and Transfer as it Relates to Level of Transit Services Provided per Capital	The percentage of FHWA funding transferred to transit is shown by state in increasing order (right hand Y axis). The generally lower points represent the total annual transit vehicle miles (left-hand Y axis, all transit modes summed) per capita, and the correlation is demonstrated.

D. Compendium of Effective Planning Practice

Effective Planning Practice Compendium

In addition to the overall assessment of flexible funding practices and issues presented by the study of nine metropolitan regions, the study yielded a number of planning practices that fully considered flexible funding that are of interest from a national perspective and may be emulated by other regions where they are suitable. As the interviews revealed, the transportation needs, policies, and institutional structures differ dramatically from region to region, and none of these practices are recommended or presented as “best practices” for all regions; to the contrary, some regions would conclude that some of these practices would diminish the equity or efficacy of their project selection. However, these practices, or variations on or aspects of these practices, may be adopted by regions or states that find them appropriate to the regional or state context. Four practices that were identified as effective flexible planning practices and that are described more fully below are:

- Kansas increase of small urban and rural transit service through statewide purchase of capital equipment by state without federal transfer of funds;
- North Central Texas project evaluation: setting regional priorities using flexible funding categories;
- Kansas suballocation of CMAQ funds to metropolitan areas: empowering metropolitan processes to address additional flexible funding sources voluntary; and
- New York State pooling of funds: structuring project evaluation to erase mode orientation.⁴

Two other flexible funding practices of interest that are not considered transportation planning practices are:

- Los Angeles demand responsive service contract: aligning a flexible funding source with an ongoing program;
- Johnson County transit operations swap: flexing funds to locally preferred uses consistent with federal policy;

KANSAS STATEWIDE PURCHASE OF CAPITAL EQUIPMENT FOR PUBLIC TRANSIT: Direct Purchase of Transit Buses by State Using FHWA Funding

The flexible funding provisions of TEA-21 make transit capital costs eligible projects for expenditure of CMAQ, STP, and NHS funding, even without transferring the funds to the Federal Transit Administration. Extensive data are included in Appendix B regarding the direct use of funds by state DOTs. Kansas found a need to assist smaller transit operators throughout the state with vehicles. It could efficiently conduct the complex procurements and deal with many of the detailed design questions raised by manufacturers in transit bus procurement, while protecting the interests of the transit operators with commercial delivery and warranty provisions. A pooled or joint procurement of buses for the smaller transit operators made sense. Recognizing that it was already entitled to expend STP funds for transit capital costs, the DOT did not apply for the transfer of funding to the FTA, but rather proceeded to enter into

⁴ The project selection process utilized by the Capital District Transportation Committee (the MPO that includes the state capitol, Albany) has also been documented under “Albany-Schenectady-Troy, NY” on page 19 and as an effective process in a companion report, “Transit at the Table: A Guide to Participation in Metropolitan Decisionmaking” (USDOT, 2003; publication DC-26-1001-01).

indefinite delivery contracts for the supply of transit equipment using the multi-modal authority of 23 USC. Kansas utilized direct use funding to provide seed money for increased transit services needed in the region.

NORTH CENTRAL TEXAS CMAQ PROJECT EVALUATION: Setting Regional Priorities Using Flexible Funding Categories

The North Central Texas Council of Governments (NCTCOG) employs a quantitative project selection process for CMAQ funds (which are suballocated to the region by the State)⁵. The policy principles that guide the process are weights set by NCTCOG's policy makers and the underlying assumption that cost-effective transit projects should be programmed before the highways system should be expanded; if no cost-effective transit projects are proposed, then highway projects are undertaken with the funds. The critical definition of what constitutes a "cost-effective" transit project is established in terms of quantitative criteria assessed using (when relevant) a modal split model maintained by NCTCOG's staff. After the cost-effective transit projects have been assembled based on the cut-point established to define cost-effectiveness, the remaining CMAQ funds are programmed for highway projects.

KANSAS SUBALLOCATION OF CMAQ FUNDS TO METROPOLITAN AREAS: Empowering Metropolitan Processes to Address Additional Flexible Funding Sources

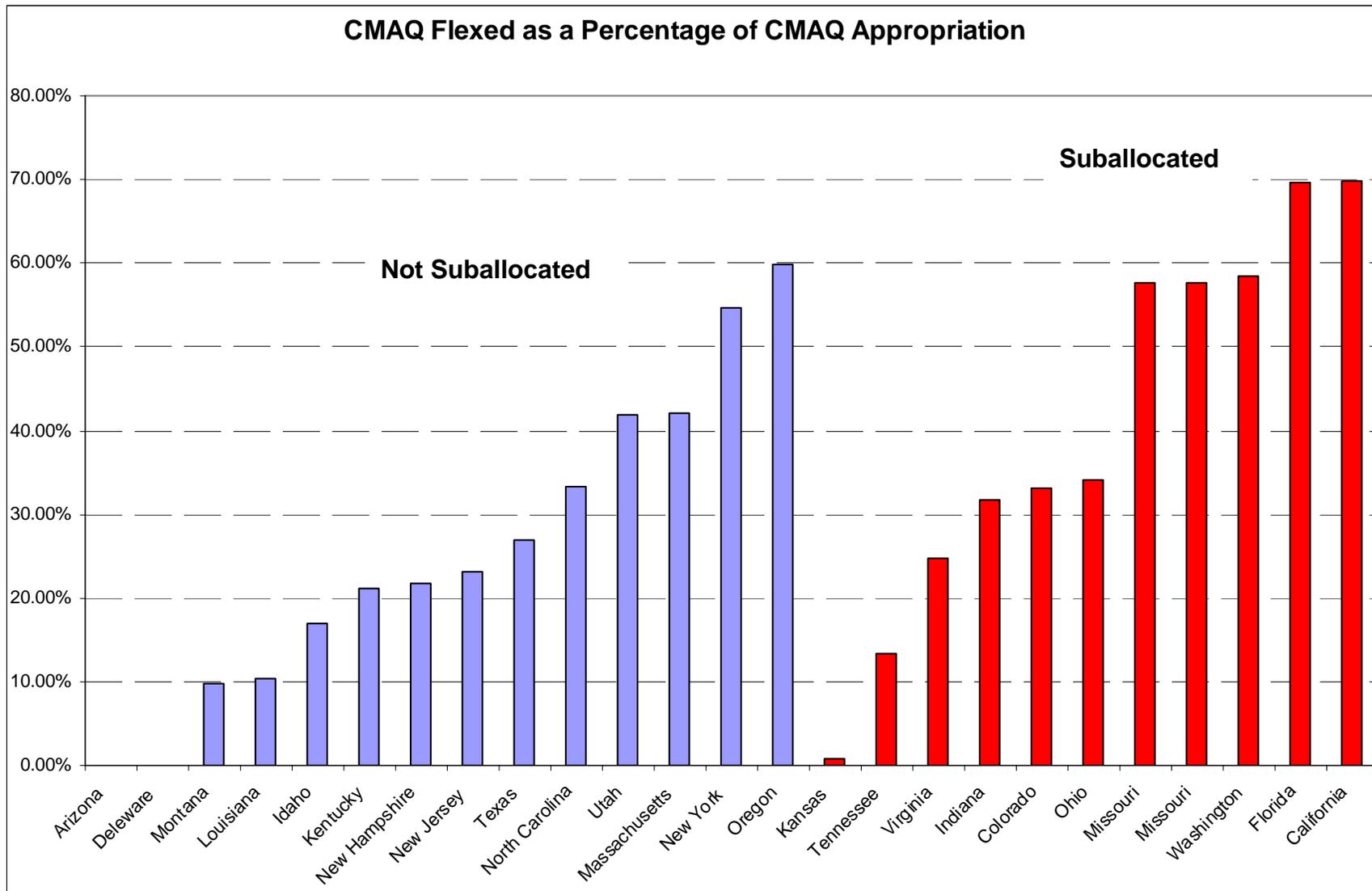
The term "suballocation" refers narrowly to the practice at the state level of allocating, at least for initial consideration, federal funding to metropolitan areas or to other geographic subdivisions of the state. This practice is particularly meaningful with respect to flexible transportation funding, because it permits the MPO not only to presume that the funding will be available for local projects within the funding program, but also to decide whether to flex the funds to another mode. Thus, the early assessments of the likelihood of available funding that inform the earliest planning and project assessment efforts can be in a broad and approximate sense informed by better information and somewhat higher certainty regarding the availability of funding. Kansas's suballocation of CMAQ funds is only one example of a widespread practice. Somewhat less widespread than the suballocation of CMAQ funds is the voluntary suballocation of STP funds *in addition to* the mandatory suballocation required by federal law.

Although this investigation involved primarily anecdotal investigation of flexible funding, a recent survey by the Association of Metropolitan Planning Organizations (AMPO) of CMAQ funding enabled some analysis of the correlation between suballocation and utilization of flexible funding provisions. AMPO surveyed its members and asked whether CMAQ funds were suballocated by formula or not. The states shown in the graphs below on the right (Kansas through California) were those where the MPOs responded that CMAQ funds were suballocated. The states in the graph on the left (Arizona through Oregon) are those that responded but did not indicate that CMAQ funds were suballocated. (The remaining states were not represented in the AMPO responses.) It is noteworthy that there is no strong correlation of the states that suballocate with any traditional view of transportation policy: they are not all northeastern states, nor states with major urban centers, etc. The height of the bars in the graphs represents the percent of CMAQ funds for the state that were used for transit (either direct use or through transfer to FTA) in the years 1993-2002⁶. Although the pattern is not uniform, the positive correlation between suballocation and percent

⁵ NCTCOG is unusual in that it spans two state transportation districts centered around the municipalities of both Dallas and Fort Worth. Therefore, NCTCOG further suballocates state and federal funding, such as CMAQ funding, between the East (Dallas) and West (Fort Worth) before proceeding with the project evaluation. The same project evaluation process could be applied, however, without the initial suballocation.

⁶ Data regarding when during this period the suballocation of CMAQ funds was initiated are unavailable.

flexed is computed to be 0.35, and the average percent flexed for the suballocating group is 41%, significantly higher than the 26% for the non-suballocating group. Because New York State does not suballocate CMAQ funds by formula, but does provide regions and in turn MPOs with targets for CMAQ funding, New York is treated in this analysis as a state that does not suballocate CMAQ funds. The correlation would be higher if New York is included among the states that suballocate funds. While this hypothesis would bear further analysis, it supports the strong sense from the interviews that suballocation of funds places the MPO in a stronger position to decide whether the funds should be flexed or not.



NEW YORK STATE DOT FUNDING TARGETS: Combining Funding Sources to Erase Mode Orientation

Following a strategy that contrasts with geographic suballocation of individual programs, the New York State DOT treats its surface transportation funding sources (FHWA and FTA funding not retained at the state level) as a single pool of funds, with the proviso that the ultimate programming must meet certain minimum distribution requirements (to comply with the requirements of the respective DOT programs). Expectations for total program size are set by DOT region (typically larger than MPO boundaries, a DOT region may encompass several urbanized areas). An MPO may approach the funding decisions without restrictions by modal program, and is able to recommend projects based on its view of needs in the regions. MPOs develop differing project evaluation processes, but there the ability to evaluate projects without turf protection is encouraged by the openness of the state process.

LOS ANGELES DEMAND RESPONSIVE SERVICE CONTRACT: Aligning a Flexible Funding Source with an Ongoing Program

The Los Angeles County Metropolitan Transportation Authority (MTA) does regional transportation planning and programming subject to some required concurrence by the Southern California Association of Governments. The MTA has established a high priority for delivery of demand responsive service in compliance with the Americans with Disabilities Act (ADA). To implement this priority, MTA funds the demand responsive service contracts (capitalized for grant purposes) on a regular basis using STP funds transferred from FHWA to FTA. In general, the entire regional suballocation of STP funds is expended in this manner. When transferred to the Federal Transit Administration, the STP funding is treated as Section 5310 funds, which permit funding all ADA contract expenditures as a capital investment (Circular 9070.1E, Ch II, Sec. 4). Thus, MTA is able to fund its growing paratransit costs with STP funds. A key advantage over other uses of STP funds, according to MTA, is that an annual and ongoing debate over the role and cost of paratransit service relative to other services is resolved. The MTA set a priority on paratransit service, and that service is now largely insulated from annual budget competition because the STP funding has increased to match the needs of paratransit. Conversely, the fixed route transit program (bus and rail) is insulated from the potentially invasive effects of paratransit service growth because the paratransit program is funded from a separate source (STP).

JOHNSON COUNTY TRANSIT OPERATIONS SWAP: Flexing Funds to Locally Preferred Uses Consistent with Federal Policy

Like many smaller transit systems and systems without access to a dedicated source of non-federal funding, Johnson County, Kansas in the Kansas City metropolitan region found its overall level of transit service constrained more by limitations on operating assistance than by access to capital project funding. However, it had comparatively adequate local funding for county road and other improvement projects, and these funding sources were not restricted.

In the late 1990s, Johnson County requested the MPO approve the flexing of Section 5307 transit capital assistance to the Federal Highway Administration, and funded a number of county road and intersection improvements with the transferring of funds. By undertaking this method of funding these projects, the County was able to focus federal capital funding on capital projects for which it was intended, but also to maintain and expand the level of transit operations using its own local funding resources.

E. Case Studies

The following map shows the metropolitan areas of the United States and Puerto Rico. Of the nine metropolitan areas selected for telephone interviews, three regions were further selected for in-depth case study. The research team's criteria for the case study included urbanized area sizes, MPO sizes and relative strength, as well as the consideration of flexible funding in the metropolitan planning process. "Appendix E: Three Case Studies" presents a description of the programming process and the role of flexible funds in each of the case study regions. For each case study, the research team includes a state map that further identifies metropolitan areas of the state. Following the map, descriptions of the entities designated as the MPO for each metropolitan area, explanations of how transportation projects are programmed in each, and discussion of the allocation formula of funding programs are presented. Also included in each case study are sample projects from each case study where flexible funding was used.

The information presented for each case study was summarized from primarily three sources: the Transportation Improvement Program (TIP), the Statewide Transportation Improvement Program, and through interviews.

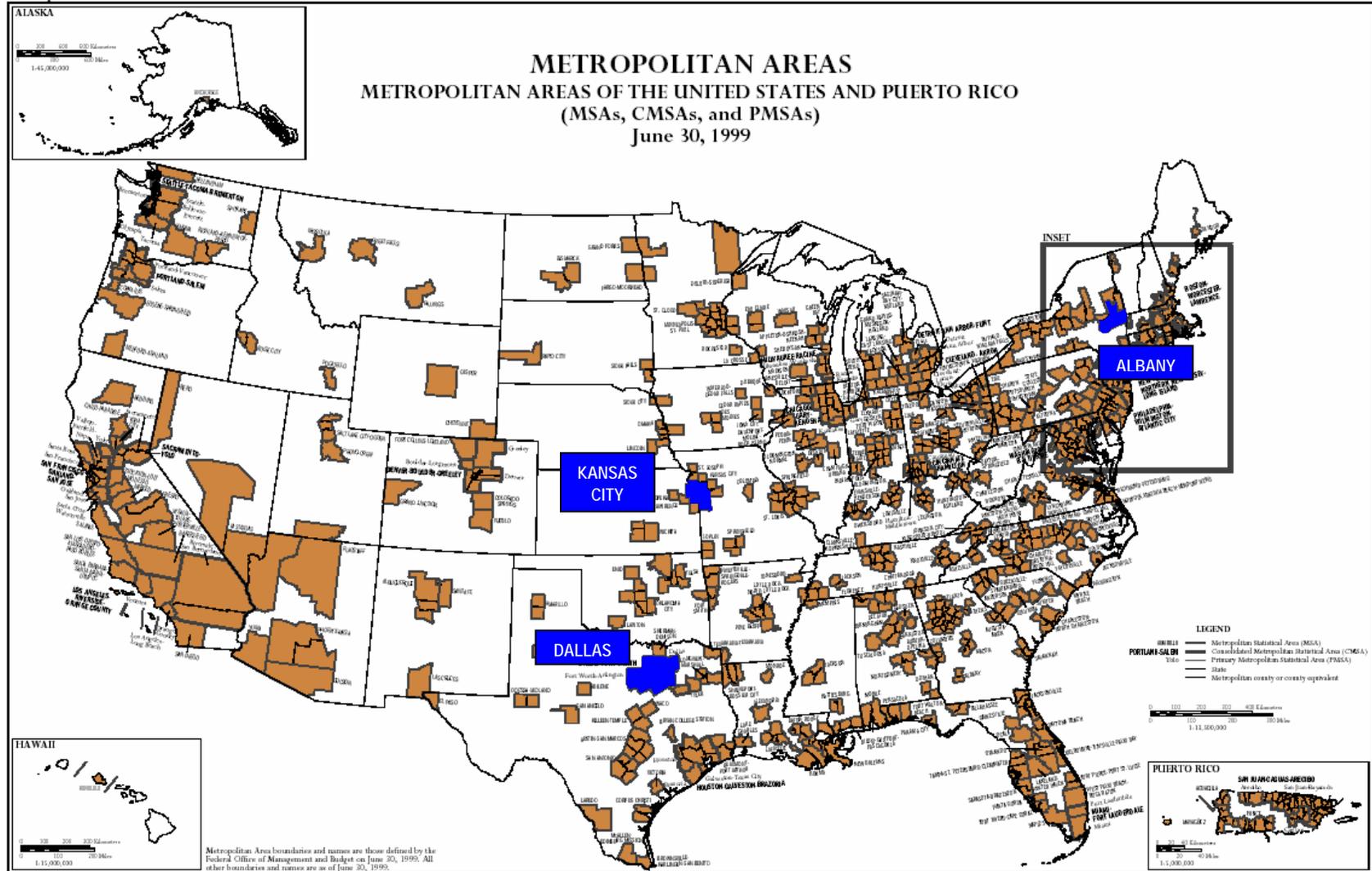
The following table summarizes the suballocation by the state of transportation funds (particularly flexible funds) to each of the three metropolitan areas. The remainder of this section summarizes the nature of the decision to flex or not to flex funds for each of the three regions.

<i>Urbanized Area:</i>	Dallas	Kansas City		Albany
<i>State:</i>	Texas	Kansas	Missouri	New York
Interstate/Preventive Maintenance and Rehabilitation (IM)	Allocated	Not allocated	Not allocated	Not allocated
Structures/Bridge Replacement and Rehabilitation	Not allocated	Allocated	Allocated	Not allocated
Metropolitan Area (TMA) Corridor Projects	Not allocated	N/A	N/A	N/A
Urban Area (Non-TMA) Corridor Projects	Not allocated	N/A	N/A	N/A
Statewide Connectivity Corridor Projects /National Highway System (NHS)	Not allocated	Not allocated	Not allocated	Allocated ¹
Congestion Mitigation and Air Quality Improvement	Allocated	Allocated	Allocated	Allocated ⁷
Surface Transportation Program (STP) Metropolitan Mobility and Rehabilitation	Allocated	Allocated	Allocated	Allocated ¹
STP Safety	Allocated	N/A	N/A	Not allocated
STP Transportation Enhancements	Not allocated	Not allocated	Not allocated	Not allocated
Miscellaneous	Allocated	N/A	N/A	N/A
District Discretionary	Allocated	N/A	N/A	N/A
Strategic Priority	Not allocated	N/A	N/A	N/A

⁷ The New York state allocation process is not entirely by formula, but funds are allocated in advance by formula to DOT regions and in turn sub-allocated a second time to MPOs on an ad hoc basis. The regional suballocation percentages for the Capital District Transportation Committee are documented in the Case Study in Appendix E.

Note: Where "Allocated" is indicated, the state allocates or targets an amount of funding for each MPO to program. Where "Not allocated" is indicated, the state department of transportation or its geographic subdivision reserves programming authority but provides the MPO review authority.

Metropolitan Areas of the United States and Puerto Rico: 1999



Albany-Schenectady-Troy, NY

The New York State Department of Transportation (NYSDOT) allocates federal funding to each of its 11 regions in accordance with targets set based on demographic and transportation statistics as well as on past expenditures and documented plans/needs. A substantial portion of the NHS (National Highway System) funds is included in the target suballocations to regions. The CDTC (Capital District Transportation Committee) is a part of NYSDOT Region One, which also includes the Adirondack Glen Falls Transportation Council (A/GFTC) and two rural counties. The table below presents two major funding categories and the distribution percentages to each entity within Region One. The NYSDOT does not provide specific allocations for its programming categories: Interstate Maintenance (IM), Highway Bridge Restoration and Rehabilitation (HBRR), STP-Rail, or STP-Safety. The distribution of these funds is evaluated and assigned based on need and justification for the proposed expense regardless of location. Because CDTA covers the only non-attainment area in Region One, CMAQ funds are solely under the purview of CDTC to determine their use.

Distribution Percentages					
	Total Region 1	CDTC	A/GFTC	Rural	Reg
NHS	100%	73%	14%	10%	3%
CMAQ	100%	100%	-	-	-
STP-Combined	100%	70%	15%	15%	-

Note: NHS % distribution is based on ½ NHS and ½ of NHS VMT. STP-Combined % distribution is based on ¼ of population plus ¼ of State VMT plus ¼ of registered vehicles plus ¼ federal-aid mileage.

The participants in CDTC include the regional transit operator (Capital District Transportation Authority) and other local transportation and land use agencies. The CDTC encourages the objective use of flexible funding by basing its programming process on the principle that ownership of a project will not affect the assignment of flexible funding; rather, the programming decision is based on the merits of the project. Although projects are categorized (bridge, pavement, transit, safety, etc) in part to ensure that statutory dedications are observed, the merit of the project is evaluated without regard to category. The merit evaluation is based on benefit/cost ratio, functional classification (to ensure that regionally significant facilities are elevated), and a score based on the “New Visions,” which articulates CDTC goals and objectives.

As further documented in the Case Study Appendix, the CDTC process has achieved substantial use of flexible funding, and is designed to do so without pre-programming categories or modal sensitivity.

Dallas

TxDOT gives each of its 25 districts—and, in some cases, 21 of its divisions—a set amount of money to select and fund certain types of local and regional projects. This delegated funding method allows districts and divisions flexibility to meet local needs. The distribution is generally based on a set annual distribution amount, with consideration of population and air quality levels. The Texas Transportation Commission (TTC) plays an important role in fund allocation. TxDOT divides funding into rural and urban pots before distributing each pot to the districts.

Allocated amount for rural part of the district is independent of the urban amount. The table below presents the allocation formula for each allocated program to the districts.

Texas uses an allocation program management tool to manage construction programs (reimbursement program). Projects can be selected for development, developed, and let to contract with each project's cost debited to the allocated funds available for that program. The allocation program process of developing projects allows TxDOT districts and divisions the flexibility to respond to modifications requested by the MPO and others without going back to the state commission for every project change or cancellation, as long as the total allocation for that program is not exceeded. The North Central Texas Council of Government (NCTCOG) is the designated MPO for the Dallas-Fort Worth Metropolitan area. The NCTCOG is the only MPO in the state that covers two districts (Dallas and Fort Worth).

The participants of the NCTCOG is the Regional Transportation Council (RTC), comprised of local elected officials, TxDOT district engineers, transportation authority board members, a North Texas Tollway Authority representative, and a maximum of three citizen representatives, and is the independent regional transportation policy body associated with NCTCOG. The state transportation department provides staff support to NCTCOG and the RTC.

The MPO has project selection responsibility for the following funding programs:

- 1) Surface Transportation Program—Metropolitan Mobility (STP-MM) funds in the Dallas-Fort Worth-Arlington Urbanized Area, the Denton-Lewisville Urbanized Area, and the McKinney Urbanized Area;
- 2) Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds in the Dallas-Fort Worth ozone nonattainment area; and
- 3) Transit Section 5307—Urbanized Area Formula Program (UAFP) funds in the Dallas-Fort Worth-Arlington Urbanized Area, the Denton-Lewisville Urbanized Area, and the McKinney Urbanized Area.

The NCTCOG suballocates 70% of STP and CMAQ funds to the eastern part of the MPO (Dallas) and 30% of the funds to the western part (Fort-Worth). Project selection in each part is separate. The NCTCOG utilized the flexibility of both STP and CMAQ to the greatest extent possible given that a local commitment was made to support as much transportation projects as possible. The NCTCOG also does not want to give any money back to the district for programming.

Category #	Allocation Formula
1-preventive maintenance	<p><i>Preventive Maintenance:</i> 53% On-System lane miles 40% Lane miles of pavement distress scores between 70-89 5% Vehicle miles traveled per lane mile 2% Square footage of On-System Span Bridge Deck Area</p> <p><i>Rehabilitation:</i></p>

	<p>15% interstate equivalent single axle loads 10% non-interstate national highway system (NHS) equivalent single axle loads 5% non-NHS equivalent single axle loads 15% on-system lane miles 5% on-system vehicle miles traveled 35% Lane miles of pavement distress scores less than 60 5% lane miles of pavement ride scores less than 20 5% Area of bridge deck with sufficiency rating between 50 and 80 3% centerline miles of 2 lane highways with average daily traffic greater than 400 and pavement width less than 22 feet 2% Centerline miles of operational intelligent Transportation System (ITS)</p>
5-Congestion Mitigation and Air Quality Improvement	<p>Each non-attainment area receives an annual allocation to expend each year. Allocations are based on population weighted by air quality severity.</p>
7-Surface Transportation Program (STP) Metropolitan and Rehabilitation	<p>Each urbanized area with a population in excess of 200,000 receives an annual allocation to expend each year. Allocations based on population and distributed to TxDOT districts (based on 2000 census population data).</p>
8-STP Safety	<p>Allocations for the safety programs are approved by the Texas Transportation Commission, with the programs managed as allocation programs on a statewide basis with projects evaluated, ranked, prioritized and selected by the Traffic Operations Division.</p>
10-Miscellaneous	<p>Allocations for the various state programs are approved by the Texas Transportation Commission, with the programs managed as allocation programs on a statewide basis with the projects evaluated, prioritized and selected by the appropriate TxDOT division (the one responsible for the program).</p> <p>The Texas Transportation Commission authorizes TxDOT's participation in the federal miscellaneous programs when federal program funds are available.</p> <p>Districts receive program authority for the projects selected for inclusion in one of these miscellaneous programs.</p>
11 – District Discretionary	<p>Allocations for this program is currently distributed with the following criteria:</p> <p>70% Vehicle miles traveled both on and off the State highway system 30% Registered vehicles And previously used formulas for Categories 4D and 4E associated with the 2002 Unified Transportation Program (see Exhibit A of the 2002 UTP ftp://ftp.dot.state.tx.us/pub/txdot-info/tpp/2002utp.pdf).</p> <p>A new formula will be developed for use in the 2005 SMP.</p> <p>Each district will receive a minimum allocation of \$2,500,000 (as required by Rider 29 to</p>

	<p>TxDOT's apportionments, Article 7 of House Bill 1, passed by the 78th Texas Legislature) and may not be used to offset over-runs on previously selected projects.</p> <p>The program is managed as allocation programs with eligible projects developed by the districts within their allocations. The District Discretionary Programs are usually one-year programs with the funds available for use within four years.</p> <p>Additional programming authority has also been allocated to the districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through their annual District Discretionary Program, other district allocation programs or the Strategic Priority Program.</p>
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Kansas City

The Mid-America Regional Council (MARC), the MPO for the Kansas City metropolitan area includes three counties in Kansas and four counties in Missouri. Kansas and Missouri both suballocate CMAQ, urban STP, and some bridge funding to the urbanized area. MARC has established a committee for programming each of these funding categories that include all of the available flexible funds. In the case of the CMAQ program, MARC has preprogrammed the funding by setting percentages for specific categories:

- Transit projects = 35% of funds
- Traffic flow projects = 25% of funds
- Bicycle-pedestrian projects = 15% of funds
- Alternative fuel projects = 10% of funds
- Outreach/other projects = 10% of funds
- Regional focus/overburdened category = 5%

Effective preprogramming of federal transportation funds using this method can also occur by setting percentages for categories that may tend to be transit intensive (e.g., "reducing VMT") but which are not necessarily entirely comprised of transit projects. STP and bridge money is not preprogrammed in the same way. Each of the committees evaluates candidate projects according to agreed criteria and programs the available funds. As the interviews revealed for many regions, the municipal and county officials who participate in transportation planning and oversee extensive street and traffic control systems are not necessarily as knowledgeable regarding flexible funding as the state, MPO, and transit officials. It was noted that municipal and county participants in the process tended toward a "mind set" that STP funds were a successor to the Federal Aid to Urban Systems program and should be used for road projects, at least whenever other sources of road funding were inadequate to their systems' needs.

Based on this process, Kansas City has accomplished substantial flexing of CMAQ funds to transit projects but has flexed relatively little STP funding.

Appendix A: Telephone Interview Respondents and Guide

Interview Respondents

Region	Agency Affiliation	Organization	URL
Albany	MPO	Capital District Transportation Committee (CDTC)	http://www.cdcmpo.org
	NYSDOT	New York State DOT (NYSDOT)	http://www.dot.state.ny.us
	NYSDOT	New York State DOT (NYSDOT)	http://www.dot.state.ny.us
	Transit Operator	Capital District Transportation Authority	http://www.cdta.org
Columbus	MPO	Mid-Ohio Regional Planning Commission (MORPC)	http://www.morpc.org/MORPC.htm
	ODOT	Ohio Department of Transportation	http://www.dot.state.oh.us
	Transit Operator	Central Ohio Transit Authority (COTA)	http://www.cota.com/cota/cotaweb/main.xml
Dallas	MPO	North Central Texas Council of Governments	http://www.nctcog.dst.tx.us
	Transit Operator	DART	http://www.dart.org
	TXDOT	Texas Department of Transportation	http://www.dot.state.tx.us/txdot.htm
Denver	CDOT	Colorado Department of Transportation	http://www.dot.state.co.us
	MPO	Denver Regional Council of Governments	http://www.drco.org/index.cfm
	Transit Operator	Denver Regional Transit District (Denver RTD)	http://www.rtd-denver.com
El Paso	MPO	El Paso MPO	http://www.elpasompo.org
	Transit Operator	Sun Metro	http://www.elpasotexas.gov/sunmetro/default.asp
	TXDOT	TXDOT-El Paso District	http://www.txdot.state.tx.us/ELP
Kansas City	KDOT	Kansas DOT	http://www.ksdot.org
	MDOT	MoDOT	http://www.modot.state.mo.us
	MPO	Mid-America Regional Council	http://www.marc.org
	MPO	Mid-America Regional Council	http://www.marc.org
	Transit Operator	KCATA	http://www.kcata.org
Los Angeles	MPO	Southern California Association of Governments	http://www.scaag.ca.gov
	Transit Operator	Los Angeles County Metropolitan Transportation Authority	http://www.mta.net
Louisville	KyDOT	Kentucky Transportation Cabinet Division of Planning	http://www.kytc.state.ky.us/planning/index.shtml
	MPO	Kentuckiana Regional Planning & Development Agency	http://www.kipda.org/Home/Default.asp
	Transit Operator	Transit Authority of River City	http://www.ridetarc.org
Washington	DDOT	District Department of Transportation	http://www.ddot.dc.gov/ddot/site/default.asp
	MDOT	Maryland Department of Transportation	http://www.mdot.state.md.us
	MPO	MWCOG	http://www.mwco.org
	Transit Operator	WMATA	http://www.wmata.com/
	VDOT	Virginia Department of Transportation	http://www.virginiadot.org/default_flash.asp
	VDOT	Virginia Department of Transportation	http://www.virginiadot.org/default_flash.asp

Considerations of Flexible Funding Provisions in Multi-modal Planning

Discussion Guide for Interviews

Project Description/Purpose

A U.S. DOT sponsored study, being conducted by FTA, in cooperation with FHWA.

AECOM Consult is conducting this effort to explore the processes, successes, and issues in metropolitan planning that affect decision-making associated with utilization of the program funding flexibilities enacted in ISTEA and continued through TEA-21. This involves transferring funds between FHWA and FTA programs, as well as use of the considerable program flexibility through multimodal eligibility. Flexible funding, in this context, includes all transfers of program dollars between FTA and FHWA (in either direction) from any eligible funding source including STP, CMAQ, and others as well as general cross modal flexibility. It also means spending federal-aid highway dollars on transit and federal transit dollars on highways – without transferring across programs.

Respondent/Agency Information

Name:
Title:
Organization:
Address:
Phone:
E-mail:
Name of MPO (if interviewee is transit agency):
MPO Contact Name:
MPO Contact Phone:

1. Please identify/describe your agency affiliation *[can be pre-filled]*:

_____ Metropolitan Planning Organization

_____ State Department of Transportation

_____ Unit of general purpose government (Elected body, administrative department of city government, etc)

_____ Public Transit Operator

_____ Independent Special District (has own tax authority)

_____ Dependent Special District (does not have own tax authority)

_____ An Authority (has own non-tax revenue source)

_____ Department of State or Local Government

_____ Other

2. Please describe your role within the organization.

3. What is your level of participation in the metropolitan planning process?
[Transit agency and state DOT question only]
(e.g., MPO Task Force, transit board, etc.)

4. Is your agency a member of the MPO Board? If so, is your agency a voting member? Is your agency active in MPO committees? *[Transit agency and state DOT question only]*

Knowledge/Understanding of Flexible Funding

5. Rate from 1-5 how well the ability and procedures to **Transfer** funds between federal transit grant and federal-aid highway fund programs is understood by the following groups, where 1=minimal understanding and 5=thorough understanding:

Agency management:	1.....2.....3.....4.....5
Agency staff:	1.....2.....3.....4.....5
Board of directors:	1.....2.....3.....4.....5
Regional partners:	
Transit Agency:	1.....2.....3.....4.....5
MPO:	1.....2.....3.....4.....5
State DOT:	1.....2.....3.....4.....5
Local jurisdictions:	1.....2.....3.....4.....5
Local Area Stakeholders: (business/community/ citizen/advocacy groups)	1.....2.....3.....4.....5

6. Rate from 1-5 how well **multi-modal funding eligibility** within the federal-aid highway and federal transit programs is understood by the following groups, where 1=minimal understanding and 5=thorough understanding:

Agency management: 1.....2.....3.....4.....5

Agency staff: 1.....2.....3.....4.....5

Board of directors: 1.....2.....3.....4.....5

Regional partners:
Transit Agency: 1.....2.....3.....4.....5

MPO: 1.....2.....3.....4.....5

State DOT: 1.....2.....3.....4.....5

Local jurisdictions: 1.....2.....3.....4.....5

Local Area Stakeholders:
(business/community/
citizen/advocacy groups) 1.....2.....3.....4.....5

7. From what sources has your agency learned about flexible funding provisions?
(Awareness of staff, management, FTA or FHWA, support from other regional agency?)

8. Is the information from FTA/FHWA on the topic sufficiently clear and available?

Project Prioritization and Funding Decisions

9. What is the process within your region for prioritizing transportation projects for inclusion in the Long Range Transportation Plan? For inclusion in the Transportation Improvement Plan?
10. When highway and transit projects are first compared with each other (or compiled to one list), to what extent are funding sources already associated with the projects?
11. Is your agency involved in cooperative revenue forecasting for fiscal constraint within the region?
-

Experiences with Flexible Funding

12. Does your agency participate in negotiations for highway/transit fund flexing? What other agencies are involved in the determination?

 13. Who (which agencies) have been the primary proponents for flexing funds? Who have been the primary proponents?

 14. What have been the major arguments cited by opponents to flexing funds within the region in the last five years?

 15. Do you feel that the consideration of flexible funding opportunities within your region (whether or not funds were actually flexed) have been successful?

 16. What could be done to improve future deliberations regarding flexing funds within your region?

 17. What lessons learned could you share with others?

 18. Please describe projects where funds were considered for flexing or cross-modal eligibility within the last five years. Include both projects where funds were flexed (up to four projects) and projects where flexing of funds was proposed but rejected (up to four projects). *[transit agency only]*
-

Projects Where Funds Were Flexed

Year				
Type of project (vehicles, service, etc)				
Size of project (cost, federal share)				
Project Sponsor				
Type of "Flex" (formal flexing of flexible funds or use of cross-modal program eligibility)				
Type of funds (transit, STP, CMAQ, NHS, other)				
Amount flexed				
Final funding composition				

Projects Where Flexing of Funds Was Proposed but Rejected

Year				
Type of project (vehicles, service, etc)				
Size of project (cost, federal share)				
Project Sponsor				
Type of "Flex" (formal flexing of flexible funds or use of cross-modal program eligibility)				
Type of funds (transit, STP, CMAQ, NHS, other)				
Final funding composition				

Barriers to Consideration of Flexible Funding in Planning Processes

19. Our previous research has identified the following general barriers to utilization of program flexibility. Please rate how prohibitive you perceive these barriers. (1 being bothersome and 5 being truly prohibitive)

Administrative complexity affecting the fund transfer:

1.....2.....3.....4.....5

Lack of support from other regional agency:

1.....2.....3.....4.....5

Local match requirement (availability and/or eligibility):

1.....2.....3.....4.....5

State or local policy restrictions, law or regulation:

1.....2.....3.....4.....5

Lack of knowledge about provisions:

1.....2.....3.....4.....5

Others: (please describe)

1.....2.....3.....4.....5

20. What suggestions would you make to mitigate these barriers?

Increased training/education? Technical assistance? Breaking modal biases? Simplifying the administrative process?
Other? **BE SPECIFIC in responding to each barrier above.**

Thank you very much for your participation in this interview

Appendix B: Summary of Practices in Interview Areas

Summary of Practices in Areas

Area	Suballocation	Project Selection	Funds Flexed
Albany	<p>NYS DOT suballocates virtually all highway funds to regions</p> <p>CDTC works with Region 1 to negotiate "target" for CDTC, Glen Falls and 2 rural counties</p> <p>Albany only non-attainment area in NYS DOT Region 1, so gets all CMAQ</p>	<p>LRP establishes 17 categories of projects with funding targets:</p> <ol style="list-style-type: none"> 1. Intermodal facilities 2. Transit infrastructure 3. transit service 4. ITS and traffic infrastructure 5. ITS and traffic operations 6. Highway Rehab, Reconstruction and Redesign – priority network 7. highway rehab & reconstruction – other 8. Bridge rehab and reconstruction 9. Highway and bridge maintenance 10. Strategic highway and bridge actions – CMS based (capacity) 11. Strategic highway and bridge actions – economic development/community compatibility 12. supplemental goods movement accommodations 13. supplemental bike and pedestrian accommodations 14. supplemental access management actions 15. supplemental safety actions 16. demand management 17. integrated planning and outreach <p>Specific funding sources not tied to categories</p> <p>TIP project selection: Round 1 – determine actual to plan target (LRP), rank and select projects on merit within categories Round 2 – select any project (e.g. to address equity etc) Round 3 – after public review of draft TIP, any balance to address public comment</p> <p>Process works best when have adequate funding (\$50M +) for new projects (after carryover projects). 2003 TIP first time since 97 had enough \$ to go thru process</p> <p>System preservation always comes first (includes replacement in kind)</p>	CMAQ STP

Area	Suballocation	Project Selection	Funds Flexed
		<p>Programming somewhat independent of fund source; determine projects first, then fund source</p>	
Columbus	<p>ODOT allocates STP-Metro, CMAQ and TE to MPOs</p>	<p>MORPC ranks and selects STP projects within categories (projects assigned to categories by staff):</p> <ol style="list-style-type: none"> 1. highway expansion and TSM 2. projects w/out ROW acquisition, utility relocation, or design exception, esp. system preservation projects 3. demand reduction projects (ridesharing, transit bus replacement, transit projects) 4. system operations and mgmt projects (e.g. signal systems) 5. planning projects <p>historically 75% has gone to highway expansion; moving to MINIMUM 25% for category 2</p> <p>Historically used same process for CMAQ; now implementing new process for CMAQ.</p> <p>MORPC will rank and select CMAQ projects within 4 categories:</p> <ol style="list-style-type: none"> 1. TDM (e.g. bikeways) 2. traffic flow (e.g. signal systems) 3. educational/marketing/ridesharing 4. miscellaneous (e.g., clean fuels, fuel cap replacement) – projects with no potential VMT effect but do affect air quality <p>Plan to establish broad funding percentage targets for each category over 4-year period</p> <p>Separate process for TE</p>	<p>CMAQ STP</p>
Dallas	<p>TxDOT suballocates STP-Metro and CMAQ to MPOs</p> <p>NCTCOG suballocates to eastern (Dallas 70%)</p>	<p>CMAQ and STP</p> <p>Categories per Mobility 2025 (LRP)</p> <ul style="list-style-type: none"> - Ops and Maintenance (Roadway infrastructure and transit operations) - Congestion Mitigation - Bike/ped and TE - Rail and bus transit systems (20% of cost) 	<p>Primarily CMAQ – grade separation, rail transit construction, passenger plaza</p> <p>Some STP – TDM</p>

Area	Suballocation	Project Selection	Funds Flexed																								
	<p>and western (Ft. Worth 30%) urban centers</p> <p>TxDOT going to allocate NHS funds to MPOs for freeway capacity projects (per NCTCOG)</p> <p>2 TxDOT districts encompass Dallas-Ft. Worth metro area</p>	<ul style="list-style-type: none"> - HOV and managed facilities - Freeway and toll road system - Regional arterial and local thoroughfare system <p>Different (some overlap) criteria for STP and CMAQ – Policy committee and citizens established weights for criteria)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">CMAQ</th> <th style="width: 20%; text-align: center;">STP</th> </tr> </thead> <tbody> <tr> <td>- current cost effectiveness</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">24%</td> </tr> <tr> <td>- future cost effectiveness</td> <td></td> <td style="text-align: center;">18%</td> </tr> <tr> <td>- air quality/energy conservation</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">18%</td> </tr> <tr> <td>- local cost participation</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">24%</td> </tr> <tr> <td>- intermodal/multimodal/social mobility</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">16%</td> </tr> <tr> <td>- Congestion mgmt system strategy/transportation control measures</td> <td style="text-align: center;">20%</td> <td></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <p>Assumption – if transit investment is warranted, build it before any roadway investment in plan</p> <p>Decisions made locally for benefit of building as much transit as possible</p>		CMAQ	STP	- current cost effectiveness	20%	24%	- future cost effectiveness		18%	- air quality/energy conservation	20%	18%	- local cost participation	20%	24%	- intermodal/multimodal/social mobility	20%	16%	- Congestion mgmt system strategy/transportation control measures	20%		Total	100%	100%	<p>If claim air quality benefits, use CMAQ; may fund as STP</p>
	CMAQ	STP																									
- current cost effectiveness	20%	24%																									
- future cost effectiveness		18%																									
- air quality/energy conservation	20%	18%																									
- local cost participation	20%	24%																									
- intermodal/multimodal/social mobility	20%	16%																									
- Congestion mgmt system strategy/transportation control measures	20%																										
Total	100%	100%																									
Denver	<p>CDOT suballocates STP-Metro, CMAQ, and TE to MPOs</p> <p>CDOT allocates Regional Priorities Program (RPP) \$ to regions – 3 regions cover portions of DRCOG area</p>	<p>DRCOG selects projects for STP, CMAQ and TE:</p> <ul style="list-style-type: none"> - Primary selection (85% of funds available) – projects ranked and selected within 7 categories with pre-established funding targets: <ul style="list-style-type: none"> - Roadway capacity 26% - Transit capacity projects 10% - Roadway operational improvements 13% - Roadway reconstruction 13% - Congestion mgmt activities 19% - Air quality improvements 12 % - Enhancement activities 7% - Secondary selection (15% of funds available) – based on following criteria: 	<p>CMAQ - transit services requested by local governments and operated by RTD as demonstration, pedestrian bridges for TREX</p> <p>STP</p>																								

Area	Suballocation	Project Selection	Funds Flexed
	<p>CDOT regions program \$</p> <p>CDOT resource allocation program takes all sources of state \$ and allocates</p>	<ul style="list-style-type: none"> - financial equity at county level - potential cost savings for merging projects - synergistic planning in high-priority corridors and multi-use projects - project readiness for construction 	<p>Limited NHS</p>
<p>El Paso</p>	<p>TxDOT allocates FHWA funds to State Transportation Department Districts or makes them available statewide on competitive basis.</p> <p>STP (mandatory minimum), CMAQ and Urban Street Program</p> <p>District programs IM, NHS, Bridge Replacement and Rehabilitation</p>	<p>MPO Project Selection Committee (PSC) utilizes project selection process to program CMAQ, STP, and USP projects.</p> <p>MPO staff reviews and applies rating system and recommends project approval to the PSC; PSC recommends approval of selected projects to the Transportation Policy Board</p> <p>TxDOT selects projects in remaining funding programs</p>	<p>CMAQ and STP</p> <p>CMAQ flexing to Sunland Park, NM to contract with Sun Metro for service</p> <p>STP \$ used for street beautification, make more pedestrian</p>
<p>Kansas City</p>	<p>CMAQ</p> <p>STP</p> <p>Bridge (voluntary)</p> <p>TE (MO only)</p>	<p>Project selection committees:</p> <ol style="list-style-type: none"> 1. CMAQ Committee 2. STP/Bridge (just renamed from Highways) MO subcommittee KS subcommittee 3. TE Committee (MO only) <p>CMAQ funds separated according to categories by mode with funding percentages; projects compete within category:</p> <ul style="list-style-type: none"> - transit 35% - traffic flow 25% 	<p>CMAQ primarily</p> <p>STP – small amount from local jurisdictions to avoid service cuts (use for preventive maintenance)</p> <p>STP proposed for 2003 for 2007 funds (STP, STP-TE)</p>

Area	Suballocation	Project Selection	Funds Flexed
		<ul style="list-style-type: none"> - Bike/ped 15% - Alt fuel 10% - Outreach/other 10% - Planning 5% <p>Projects under CMAQ are evaluated based on the following four criteria:</p> <ul style="list-style-type: none"> - 35% emission reduction - 35% cost effectiveness - 15% Vehicle Miles Traveled Reduction - 15% Land Use/Category Specific <p>STP/Bridge – evolving; has not been conducive to transit</p> <ul style="list-style-type: none"> - recently changed name from Highways to STP/Bridge - transit authority now at meetings (votes) - overshadowed by local jurisdiction representatives (public works departments) with highway orientation - Issues regarding submission of projects by transit authority for consideration for STP funding 	
Louisville	<p>KYTC suballocates STP-Metro and STP-TE</p> <p>INDOT suballocates STP-Metro, CMAQ and STP-TE</p> <p>KYTC programs CMAQ funds</p>	<p>MPO prioritizes all projects; if MPO controlled funds, becomes final list of projects; if state-controlled funds, becomes recommendation to state</p> <p>MPO evaluates projects Transportation Technical Coordinating Committee reviews evaluation and makes recommendations to Transportation Policy Committee</p> <p>CMAQ -- KYTC provides “ballpark” estimate of funds to KIPDA, KIPDA recommends projects, KYTC makes final decision (projects in all non-attainment/maintenance areas compete statewide)</p> <p>STP-TE – KIPDA recommends projects to INDOT and KYTC; states make final decisions</p>	<p>CMAQ</p> <p>No STP to date; TARC requesting STP-Metro (KY) for 2007</p> <p>TE – state controlled</p> <p>No vehicle replacements with flex funds; utilize earmarks</p>
Los Angeles	<p>STP-Metro, STP-TE and CMAQ are suballocated directly to LACMTA, which is responsible by statute</p>	<p>LACMTA conducts subregional meetings around county with councils of governments</p> <p>LACMTA staff evaluates project requests for funding</p>	<p>STP-Metro primarily used for contracted out paratransit service</p> <p>CMAQ used more</p>

Area	Suballocation	Project Selection	Funds Flexed
	<p>for planning and programming federal transportation funding within LA County</p>	<p>Technical Advisory Committee reviews and makes recommendations</p> <p>Board subcommittee Planning and Programming adopts</p>	<p>broadly for capital improvements (rail extensions, operating 1st 3 years of new rail extensions, bus procurement)</p>
<p>Washington</p>	<p><u>VA</u>-suballocates CMAQ & STP based on air quality</p> <p>Certain portion of CMAQ & STP to non-attainment areas: NOVA Richmond Hampton Roads <u>District</u> of Columbia: geographic suballocation has no meaning in the District context. <u>MD</u>: Does not suballocate to the Washington region beyond federal mandates, but separately addresses regional projects.</p>	<p>WMATA negotiates with each state (Maryland, Virginia and DC) individually for funding</p> <p>Maryland DOT (MTA) is a state organization-they are responsible for both highway and transit programs. Organization financed both programs-no incentive to utilize flexible funding. Use more state funds for transit.</p> <p>MD has 6 MPO-each region identifies needs-consolidate in draft capital program for public meeting in each county then go through Governor then to General assembly. Balanced process constrain by state statute.</p> <p>Virginia DOT-has Appropriation Act- allocate funding for broad transportation categories, not individual projects. VDOT staff and local governments identify projects to be included in the six-year improvement program</p> <p>VA-use 6% of its statewide STP funds for Transit in 2004</p> <p>DC-project programming involves legislative approval-Mayor submit draft CIP to DC council for approval. Then congress must approve DC budget-must fit in with the region TIP and CLRP.</p> <p>WMATA CIP-develop with input of WMATA's member jurisdiction</p>	<p>MD generally does not flex funding as it is able to move state funds to fill needs not met by federally funded programs.</p> <p>VA flexes substantial CMAQ and some STP funds. District also flexes substantial CMAQ and STP funding.</p> <p>Flexed CMAQ \$ for bus purchases, occasionally ITS bus shelter, new bus service (VA).</p>

Appendix C: Texas 12 Transportation Funding Programs

Category 1 Preventive Maintenance and Rehabilitation	
Description	Preventive maintenance and rehabilitation of the existing state highway system
Restriction	<p>The rehabilitation funds may be used for rehabilitation of the Interstate Highway System main lanes, frontage roads, structures, signs, pavement markings, striping, etc.</p> <p>The Transportation Planning and Programming Division may approve the use of rehabilitation funds for the construction of interchanges and high occupancy vehicle (HOV) lanes on the Interstate Highway System. Rehabilitation funds may not be used for the construction of new single occupancy vehicle (SOV) lanes.</p>
Allocation Formula	<p><i>Preventive Maintenance:</i> 53% On-System lane miles 40% Lane miles of pavement distress scores between 70-89 5% Vehicle miles traveled per lane mile 2% Square footage of On-System Span Bridge Deck Area</p> <p><i>Rehabilitation:</i> 15% interstate equivalent single axle loads 10% non-interstate national highway system (NHS) equivalent single axle loads 5% non-NHS equivalent single axle loads 15% on-system lane miles 5% on-system vehicle miles traveled 35% Lane miles of pavement distress scores less than 60 5% lane miles of pavement ride scores less than 20 5% Area of bridge deck with sufficiency rating between 50 and 80 3% centerline miles of 2 lane highways with average daily traffic greater than 400 and pavement width less than 22 feet 2% Centerline miles of operational intelligent Transportation System (ITS)</p>
Levels of Authority	Commission allocates funding by formula to the district and the district selects projects according to their needs.
Allocation Program	YES

Category 2 Metropolitan Area (TMA) Corridor Projects	
Description	Category 2 is intended to address the mobility needs in all major metropolitan areas (greater than 200,000 population- Transportation Management Areas) throughout the state.
Restriction	<p>Funds will be used to develop and improve entire corridors of independent utility, whenever possible.</p> <p>All projects must be developed in accordance with applicable federal and state environmental requirements. All projects must be designed, constructed, operated, and maintained in accordance with state laws, regulations, directives, safety standards, design standards and construction standards as required by TEA-21 or its predecessor.</p> <p>Projects in this category must have the concurrence and support of the Metropolitan Planning Organization having jurisdiction in the particular area.</p>
Project Selection	The selection criteria for this category are yet to be determined. The new selection criteria will be used for the first time in the 2005 Statewide Mobility Program. Existing projects (listed in Exhibit C) were previously selected through criteria from the 2002 Unified Transportation Program or prior.
Policy	<p>Consideration may be given to the investment already made in a project by both TxDOT and local entities (except in those counties designated as disadvantaged by the 75th Session of the Texas Legislature, Senate Bill 370, Section 1.18).</p> <p>Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds -Participation Ratios.</p>
Levels of Authority	<p>PLAN - Projects authorized for environmental studies and route/right-of-way determination. (Eleven to twenty years, or more, in the future)</p> <p>CONSTRUCT - Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting based upon a consensus driven schedule developed by all districts having projects. (Current year plus the next ten years).</p>
Allocation Program	NO

Category 3 Urban Area (Non-TMA) Corridor Projects	
Description	Category 3 is intended to address the mobility needs in all Metropolitan Planning Organization areas (greater than 50,000 and less than 200,000 population- non-Transportation Management Areas) throughout the state.
Restriction	<p>Funds will be used to develop and improve entire corridors of independent utility, whenever possible.</p> <p>All projects must be developed in accordance with applicable federal and state environmental requirements. All projects must be designed, constructed, operated, and maintained in accordance with state laws, regulations, directives, safety standards, design standards and construction standards as required by TEA-21 or its predecessor.</p> <p>Projects in this category must have the concurrence and support of the Metropolitan Planning Organization having jurisdiction in the particular area.</p>
Project Selection	The selection criteria for this category are yet to be determined. The new selection criteria will be used for the first time in the 2005 Statewide Mobility Program. Existing projects were previously selected through criteria from the 2002 Unified Transportation Program or prior.
Policy	<p>Consideration may be given to the investment already made in a project by both TxDOT and local entities (except in those counties designated as disadvantaged by the 75th Session of the Texas Legislature, Senate Bill 370, Section 1.18).</p> <p>Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds -Participation Ratios.</p>
Levels of Authority	<p>PLAN - Projects authorized for environmental studies and route/right-of-way determination. (Eleven to twenty years, or more, in the future)</p> <p>CONSTRUCT - Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting based upon a consensus driven schedule developed by all districts having projects. (Current year plus the next ten years).</p>
Allocation Program	NO

Category 4 Statewide Connectivity Corridor Projects	
Description	Category 4 is intended to address the connectivity mobility needs throughout the state.
Restriction	<p>Funds will be used to develop and improve entire corridors of independent utility, whenever possible.</p> <p>All projects must be developed in accordance with applicable federal and state environmental requirements. All projects must be designed, constructed, operated, and maintained in accordance with state laws, regulations, directives, safety standards, design and construction standards as required by TEA-21 or its predecessor. Planning Organization having jurisdiction in the particular area.</p>
Project Selection	The selection criteria for this category are yet to be determined. The new selection criteria will be used for the first time in the 2005 Statewide Mobility Program. Existing projects were previously selected through criteria from the 2002 Unified Transportation Program or prior.
Policy	<p>Consideration may be given to the investment already made in a project by both TxDOT and local entities (except in those counties designated as disadvantaged by the 75th Session of the Texas Legislature, Senate Bill 370, Section 1.18).</p> <p>Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.</p>
Levels of Authority	<p>PLAN - Projects authorized for environmental studies and route/right-of-way determination. (Eleven to twenty years, or more, in the future)</p> <p>CONSTRUCT - Projects authorized for complete plans, specifications and estimates (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting based upon a consensus driven schedule developed by all districts having projects. (Current year plus the next ten years)</p>
Allocation Program	NO

Category 5 Congestion Mitigation and Air Quality Improvement	
Description	This category is to address the attainment of a national ambient air quality standard in the non-attainment areas of the state which are currently Dallas, Fort Worth, Houston, Beaumont and El Paso. Projects are for congestion mitigation and air quality improvement (CMAQ) in the non-attainment areas in the state.
Restriction	<p>CMAQ projects are selected by the Metropolitan Planning Organization in consultation with TxDOT and the Texas Commission on Environmental Quality. Projects must have final approval by the Environmental Protection Agency (EPA) and the Federal Highway Administration (FHWA).</p> <p>Each CMAQ project is evaluated to quantify its air quality improvement benefits. Funds can not be used to add capacity for single occupancy vehicles.</p> <p>All projects must be developed in accordance with applicable federal or state environmental requirements.</p> <p>All projects must be designed, constructed, operated and maintained in accordance with state laws, regulations, directives, safety standards, and design and construction standards as required by TEA-21 or its predecessor.</p>
Allocation to District	<p>Each non-attainment area receives an annual allocation to expend each year. Allocations are based on population weighted by air quality severity.</p> <p>The program is managed by the districts as an allocation program with eligible projects developed by the districts on an as-needed basis. Projects can be canceled or changed as long as the program balance is not exceeded.</p> <p>Additional programming authority has also been allocated to the Districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through upcoming CMAQ programs.</p>
Policy	Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.
Levels of Authority	<p>DEVELOP - Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, and utility adjustments but excludes construction letting. (Four to ten years in the future)</p> <p>CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years)</p>
Allocation Program	Yes

Category 6 Structures Replacement and Rehabilitation	
Description	Replacement or rehabilitation of eligible bridges on and off the state highway system (functionally obsolete or structurally deficient. Replacement of existing highway-railroad grade crossings, and the rehabilitation or replacement of deficient railroad underpasses on the state highway system.
Restriction	Specific locations evaluated by cost-benefits derived index (benefits such as improved traffic flow, accident/fatality reduction). These funds may be used for preventive maintenance activities on bridges-requires commission approval.
Ranking Index	Texas Eligible Bridge Selection System (TEBSS) and vehicle and train traffic, accident rates, vehicle clearance, roadway characteristics.
Levels of Authority	Commission approval is needed and this funding is controlled entirely at the state level. Specific projects are selected based on TEBSS and evaluated statewide for cost-benefit by the Bridge Division.
Allocation Program	NO

Category 7 Surface Transportation Program (STP) Metropolitan Mobility/Rehabilitation	
Description	This category is to address transportation needs within the metropolitan area boundaries of Metropolitan Planning Organizations having urbanized areas with populations of 200,000 or greater.
Restriction	<p>Projects are selected by the Metropolitan Planning Organization in consultation with the districts. This program authority can be used on any roadway with a functional classification greater than a local road or rural minor collector.</p> <p>All projects must be developed in accordance with the applicable federal and state environmental requirements. All projects must also be designed, constructed, operated and maintained in accordance with state laws, regulations, directives, safety standards, design and construction standards as required by TEA-21 or its predecessor.</p>
Allocation to District	<p>Each urbanized area with a population in excess of 200,000 receives an annual allocation to expend each year. Allocations based on population and distributed to TxDOT districts (based on 2000 census population data).</p> <p>The program is managed as an allocation program, and eligible projects (selected by the Metropolitan Planning Organization) are developed by the districts on an as-needed basis. Projects can be canceled or changed as long as the program balance is not exceeded.</p> <p>Additional programming authority has also been allocated to the Districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through upcoming STP- Metropolitan Mobility/Rehabilitation programs.</p>
Policy	<p>The federal program authority will be allocated through the District to the qualifying Metropolitan Planning Organizations.</p> <p>Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.</p>
Levels of Authority	<p>DEVELOP - Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, and utility adjustments but excludes construction letting. (Four to ten years in the future).</p> <p>CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years).</p>
Allocation Program	Yes

Category 8 Surface Transportation Program (STP) Safety	
Description	Description TEA-21 provided that 10 percent (10%) of all the STP funds apportioned to the state be dedicated to safety projects. This category is composed of the following TxDOT safety programs: Federal Hazard Elimination Program and the Federal Railroad Signal Safety Program.
Restriction	<p>Safety funds apportioned under the Federal Hazard Elimination Program are to be used to implement highway safety improvement projects on any public road other than an Interstate. Safety funds apportioned under the Federal Railroad Signal Safety Program are to be used to implement highway-rail grade crossing safety projects on any public road. Safety funds apportioned under the Federal Hazard Elimination Program or the Federal Railroad Signal Safety Program can also be used to develop a crash records information system.</p> <p>All projects must be developed in accordance with applicable federal and state environmental requirements. All projects must be designed, constructed, operated, and maintained in accordance with state laws, regulations, directives, safety standards, design and construction standards as required by TEA-21 or its predecessor.</p>
Allocation	<p>Allocations for the safety programs are approved by the Texas Transportation Commission, with the programs managed as allocation programs on a statewide basis with projects evaluated, ranked, prioritized and selected by the Traffic Operations Division.</p> <p>Districts/Divisions receive program authority for the projects selected for inclusion in a safety program. The Federal Hazard Elimination Program is usually a one-year program with the program funds available for use within three years. The Federal Railroad Signal Safety Program is usually a one-year program with the program funds available for use within four years.</p>
Policy	<p>Federal Hazard Elimination Program projects are evaluated and ranked by a safety improvement index using three years of accident data.</p> <p>All highway-rail crossings on the statewide inventory are prioritized using the Texas Priority Index (PI). This index is based on the number of trains per day, speed of trains, current average daily traffic, number of school bus crossings per day (special vehicles), type of warning devices, and train involved accidents within the prior five years. Those crossings with the highest PI are selected for the Federal Railroad Signal Safety Program.</p> <p>Funds for a crash records information system will be approved by the Executive Director (or designee).</p> <p>Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.</p>
Levels of Authority	CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years).
Allocation Program	Yes

Category 9 Surface Transportation Program (STP) Transportation Enhancements	
Description	This category is to address projects that are above and beyond what could normally be expected in the way of enhancements to the transportation system.
Restriction	<p>Projects programmed in this category must fall under one of the following general activities as outlined in TEA-21:</p> <ol style="list-style-type: none"> 1. Provision of facilities for pedestrians and bicycles. 2. Acquisition of scenic easements and scenic or historic sites. 3. Scenic or historic highway programs (including the provision of tourist and welcome center facilities). 4. Landscaping and other scenic beautification. 5. Historic preservation. 6. Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals). 7. Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails). 8. Control and removal of outdoor advertising. 9. Archaeological planning and research. 10. Environmental mitigation to address water pollution due to highway runoff or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity. 11. Provision of safety and educational activities for pedestrians and bicyclists. 12. Establishment of transportation museums. <p>All projects must be developed in accordance with applicable federal and state environmental requirements. All projects must be designed, constructed, operated and maintained in accordance with state laws, regulations, directives, safety standards, and design and construction standards as required by TEA-21 or its predecessor.</p> <p>Agreements must be executed prior to beginning work.</p> <p>Projects in this category must have the concurrence of the Metropolitan Planning Organization if it is located in their area of jurisdiction.</p>
Project Selection	<p>Projects are prioritized and selected by the Texas Transportation Commission on a statewide basis for the Texas Statewide Transportation Enhancement Programs.</p> <p>Districts receive program authority for the projects selected for inclusion in the program.</p>
Policy	<p>All projects in this category will be selected and programmed in accordance with the rules as published in Title 43, Texas Administrative Code, Part I, Chapter 11, Sections 11.201 - 11.205.</p> <p>Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.</p>
Levels of Authority	CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years).
Allocation Program	No

Category 10 Miscellaneous	
Description	<p>This category is to address projects that will not fit into any other category.</p> <p>Examples of programs included in this category would be for:</p> <ul style="list-style-type: none"> State Park Roads Railroad Grade Crossing Replanking Program Railroad Signal Maintenance Program Construction Landscape Program Landscape Cost Sharing Program Landscape Incentives Awards Program Green Ribbon Landscape Improvement Program Travel Information Centers Truck Weight Stations Ferry Boat Discretionary - Federal Program Federal Lands Highways - Federal Program Indian Reservation Highways - Federal Program Forest Highways - Federal Program <p>Most of the programs are state funded; however, federal funds are involved in some programs as noted above. Projects in this category must have the concurrence of the Metropolitan Planning Organization if located within their area of jurisdiction.</p>
Restriction	Each of the miscellaneous programs is addressed to a specific type of work. The Texas Transportation Commission approves the requirements for each program.
Allocation to District	<p>Allocations for the various state programs are approved by the Texas Transportation Commission, with the programs managed as allocation programs on a statewide basis with the projects evaluated, prioritized and selected by the appropriate TxDOT division (the one responsible for the program).</p> <p>The Texas Transportation Commission authorizes TxDOT's participation in the federal miscellaneous programs when federal program funds are available.</p> <p>Districts receive program authority for the projects selected for inclusion in one of these miscellaneous programs.</p>
Policy	Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.
Levels of Authority	CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years).
Allocation Program	Yes

Category 11 District Discretionary	
Description	This category is used to address miscellaneous projects selected at the district' engineer's discretion.
Restriction	Most projects should be on the state highway system. However, some projects may be selected for construction off the state highway system on roadways with a functional classification greater than a local road or rural minor collector. Funds from this program should not be used for right-of-way acquisition.
Allocation to District	<p>Allocations for this program is currently distributed with the following criteria:</p> <p style="padding-left: 40px;">70% Vehicle miles traveled both on and off the State highway system 30% Registered vehicles And previously used formulas for Categories 4D and 4E associated with the 2002 Unified Transportation Program (see Exhibit A of the 2002 UTP ftp://ftp.dot.state.tx.us/pub/txdot-info/tpp/2002utp.pdf).</p> <p>A new formula will be developed for use in the 2005 SMP.</p> <p>Each district will receive a minimum allocation of \$2,500,000 (as required by Rider 29 to TxDOT's apportionments, Article 7 of House Bill 1, passed by the 78th Texas Legislature) and may not be used to offset over-runs on previously selected projects.</p> <p>The program is managed as allocation programs with eligible projects developed by the districts within their allocations. The District Discretionary Programs are usually one-year programs with the funds available for use within four years.</p> <p>Additional programming authority has also been allocated to the districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through their annual District Discretionary Program, other district allocation programs or the Strategic Priority Program.</p>
Policy	Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.
Levels of Authority	<p>DEVEOP - Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, and utility adjustments but excludes construction letting. (Four to ten years in the future).</p> <p>CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years).</p>
Allocation Program	Yes

Category 12 Strategic Priority	
Description	This category is intended to give the Texas Transportation Commission some flexibility in selecting projects for construction throughout the state which may not meet other program criteria. These projects will generally promote economic development, provide system continuity with adjoining states and Mexico, increase efficiency on military deployment routes, or address other strategic needs as determined by the Texas Transportation Commission.
Restriction	Once selected for Strategic Priority, the cost of the project is authorized and fixed. No additional Strategic Priority funds will be authorized. Cost increases or overruns will be funded from other sources. Projects in this category must have the concurrence of the Metropolitan Planning Organization if it is located in their area of jurisdiction.
Project Selection	The Texas Transportation Commission selects and approves projects for this category. Each year the Texas Transportation Commission reviews and reauthorizes projects.
Policy	Match for preliminary engineering, construction, and right-of-way purchase/utility adjustments will be in accordance with TxDOT's Policy for Matching Funds - Participation Ratios.
Levels of Authority	CONSTRUCT – Projects authorized for complete plans, specifications and estimate (PS&E) preparation, right-of-way acquisition, utility adjustments and construction letting. (Current year plus the next three years.)
Allocation Program	No

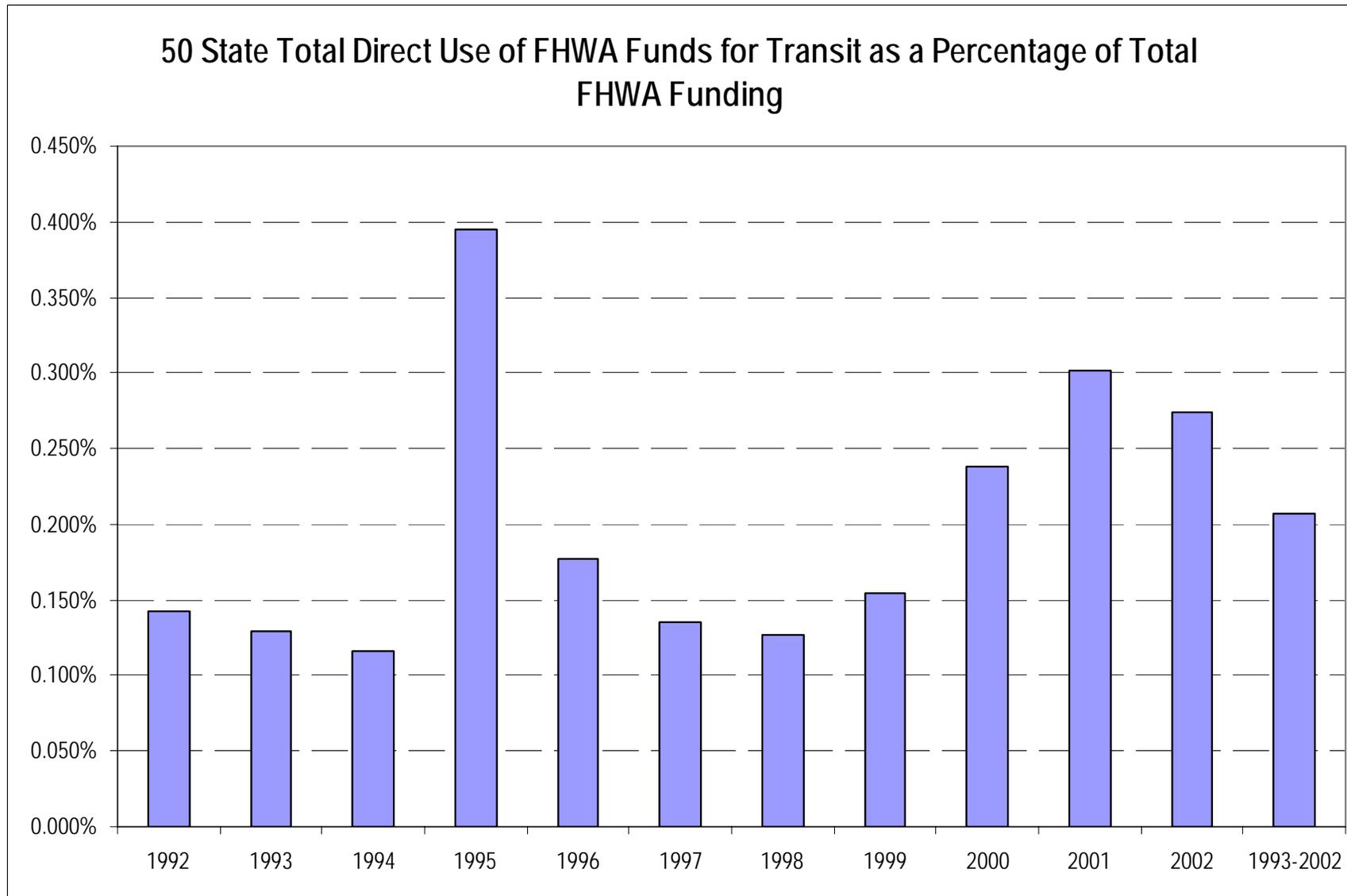
Appendix D: Transfer and Direct Use Analysis for FY 1993-2002

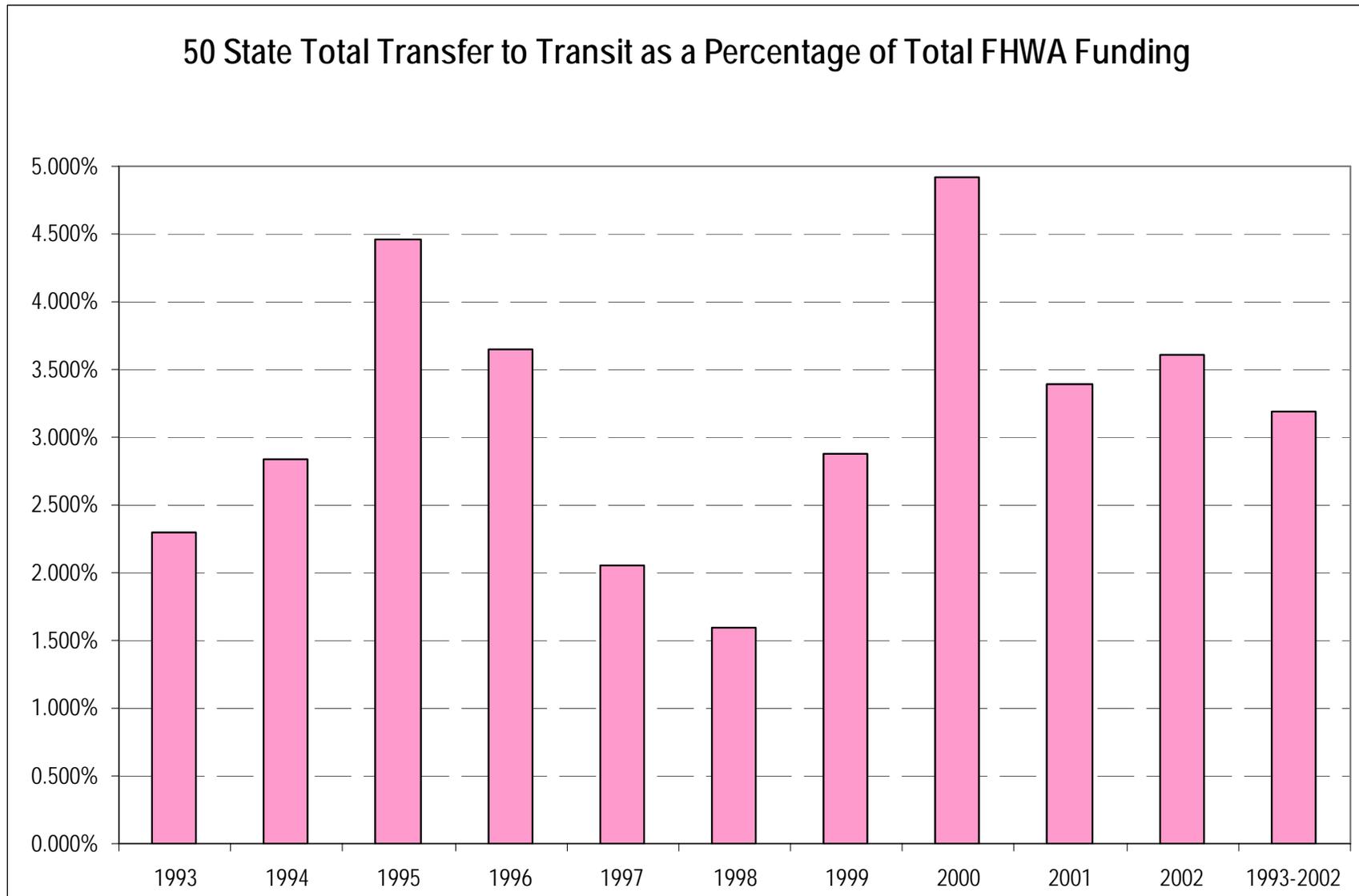
As discussed in [Section C: Compilation of Direct Use Data](#), the term to “Transfer” funds is generally used currently to refer to the transfer of funds from FHWA to FTA or the reverse. The funds would be administered under the procedures of the agency to which the funds are transferred. Historical transfer data as presented in the graphs below came from the FTA in Excel format with the report titled “FY (each year) Flexible Funds Transfers by CMAQ, STP, and Other” and in reports titled “Flexible Funds Available and Obligated in FY (each year) for Transit Projects, and Section 5307 Urbanized Area Funds Transferred to FHWA: FHWA FUNDS AVAILABLE TO FTA AND OBLIGATED IN FY (each year) FOR TRANSIT PROJECTS.” When total transferred amounts are analyzed as a percentage of total FTA funding, this total FTA funding included apportionment and allocation amounts which are available in reports titled “Federal Transit Administration: Apportionments and Allocations by State / Fiscal Year ____.” If the analysis presents transferred amounts as a percentage of total FHWA funding, the total FHWA funds amounts also included apportionments and allocations which are available on-line at <http://www.fhwa.dot.gov/policy/ohpi/hss/hsspubs.htm> from the Office of Highway Policy Information: Highway Statistics Publication (URL last modified date: November 19, 2004) . The research team used total apportionments and allocations as the denominator in the analysis because both FTA and FHWA have these data available.

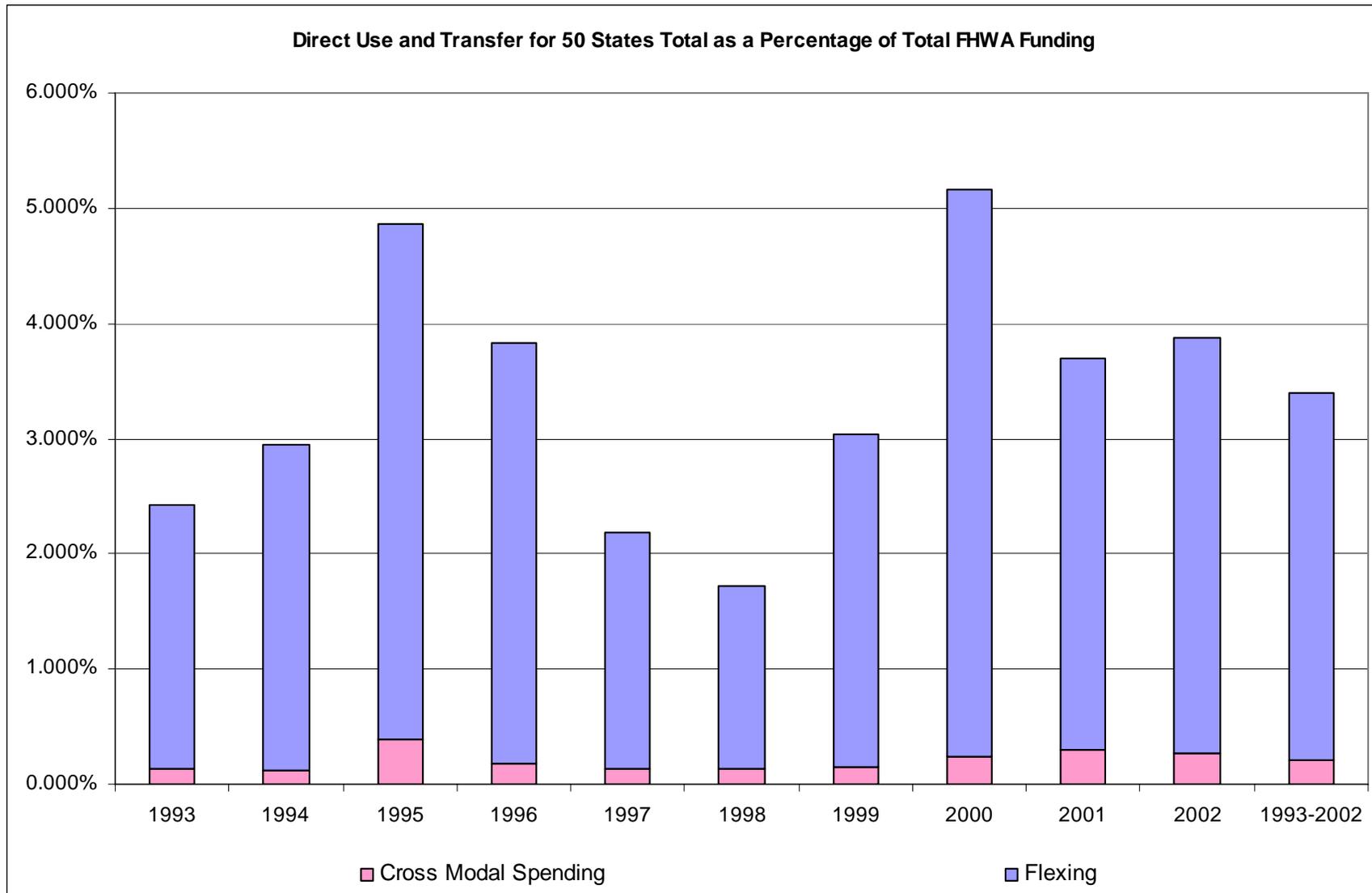
Analysis of direct use is also included in this Appendix. The term “direct use” refers to the flexing of funds without transfer between FHWA and FTA. The analysis is based on data available for 1993-2002 from FHWA’s Fiscal Management Information System (FMIS)⁸. Because direct use data is not compiled in formal reports as is transferred data, the direct use data in this report was extracted (queried) from the FMIS database directly. The queried report from the database provided a variety of details but the research team utilized the federal funds amount under improvement type code 23 which represented any transit related projects (include FTA code: NO to represent projects that utilized direct use) by state, by source, and the earliest authorization date. The last activation date was also available but, because a project may take several years to draw down the amount authorized, there is not a way to identify the amount spent per fiscal year. The research team decided to use the earliest authorization date as the defining criteria to organize direct use data. The fiscal year as defined by the federal government begins on October 1 and ends September 30 of that fiscal year. The usage of earliest authorization date made sense because it shows when the amount was available to be utilized. Readers should take caution in examining the direct use analysis because it does not reflect amount utilized each year.

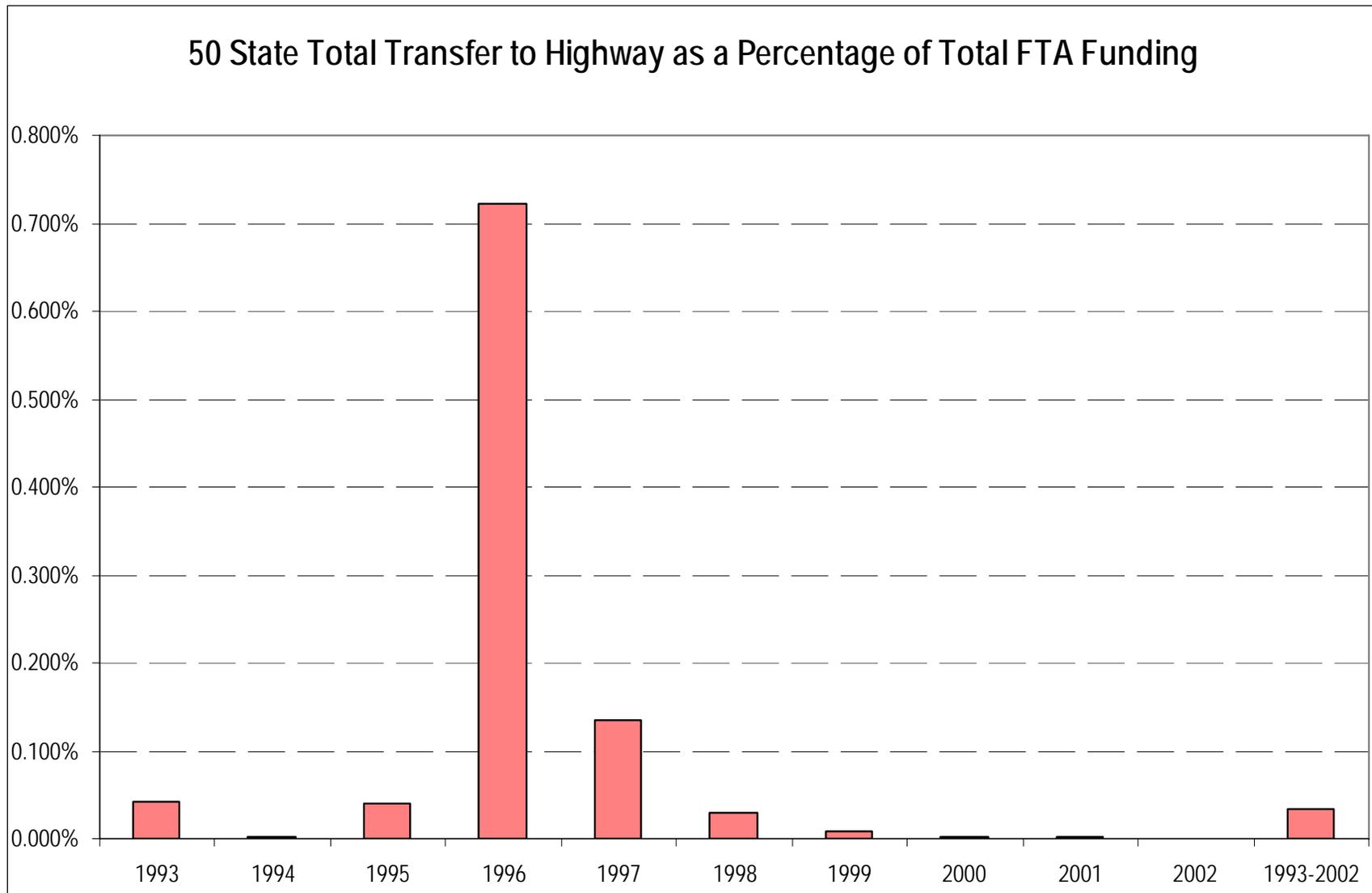
Vehicle mile data by state was extracted from the National Transit Database 2001 Data. The team used Census 2000 data for each state to calculate vehicle miles per capita.

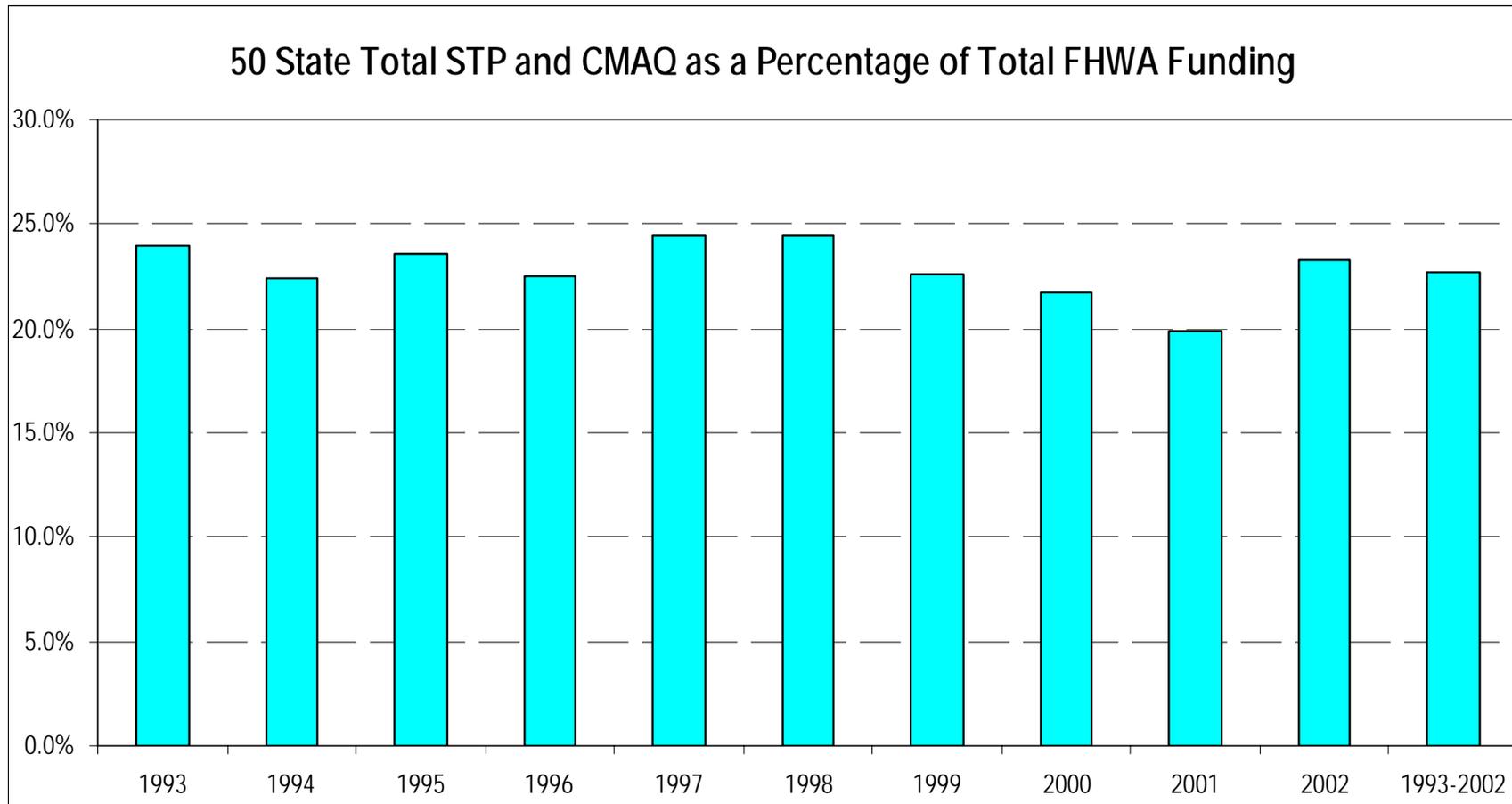
⁸ The FMIS is maintained by the office of Budget and Finance. Please contact the department’s director for more information.

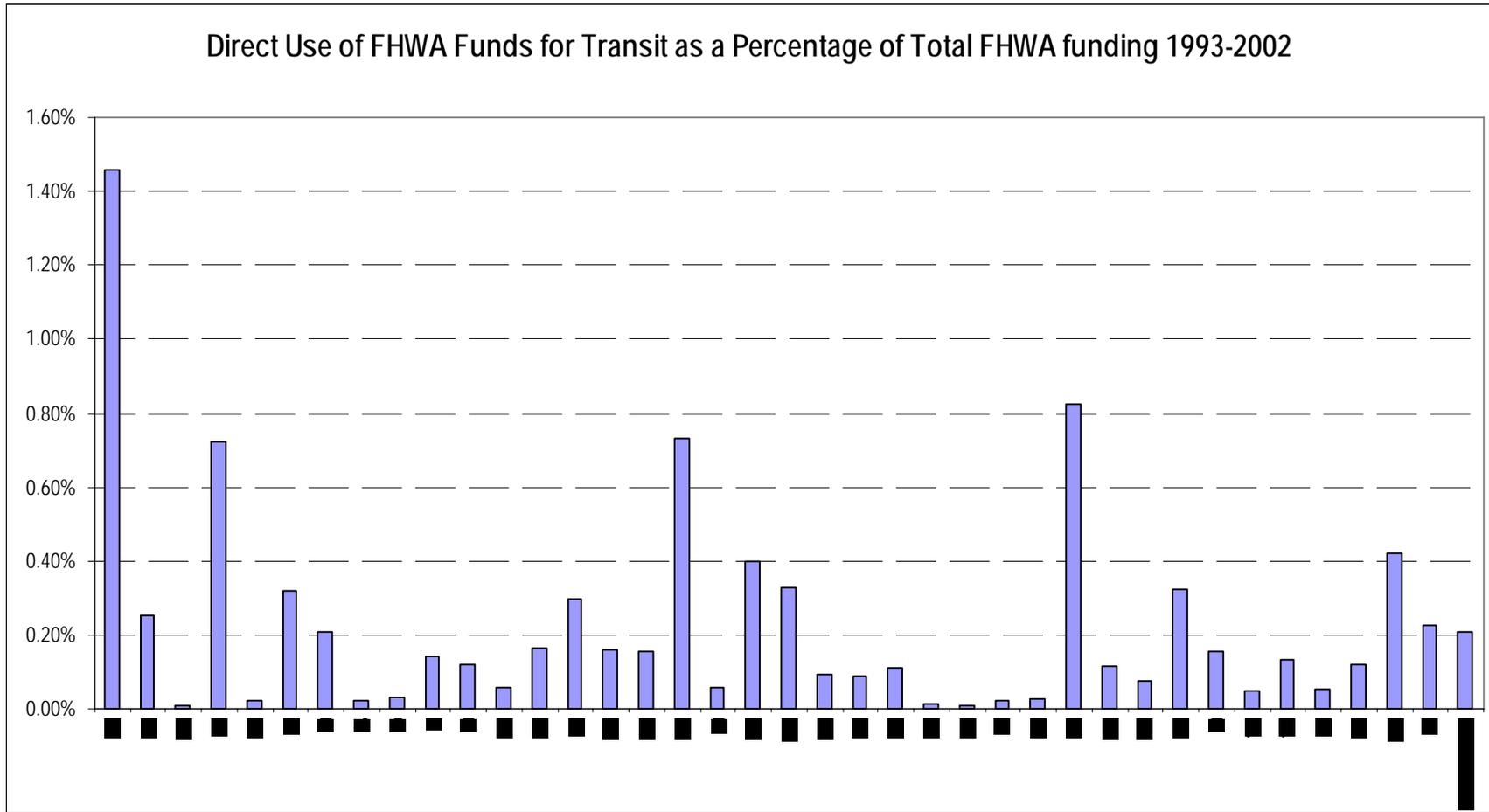


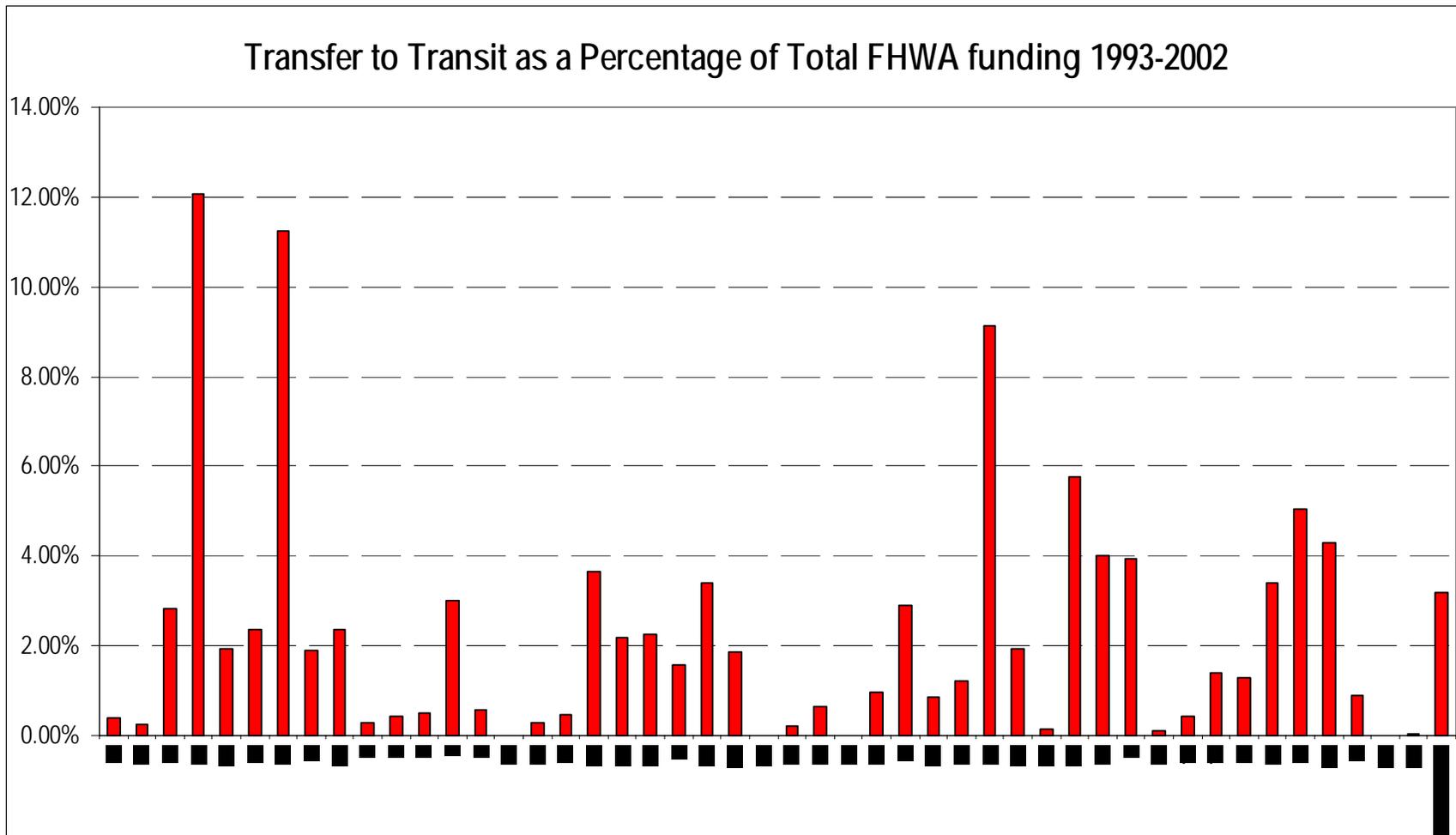


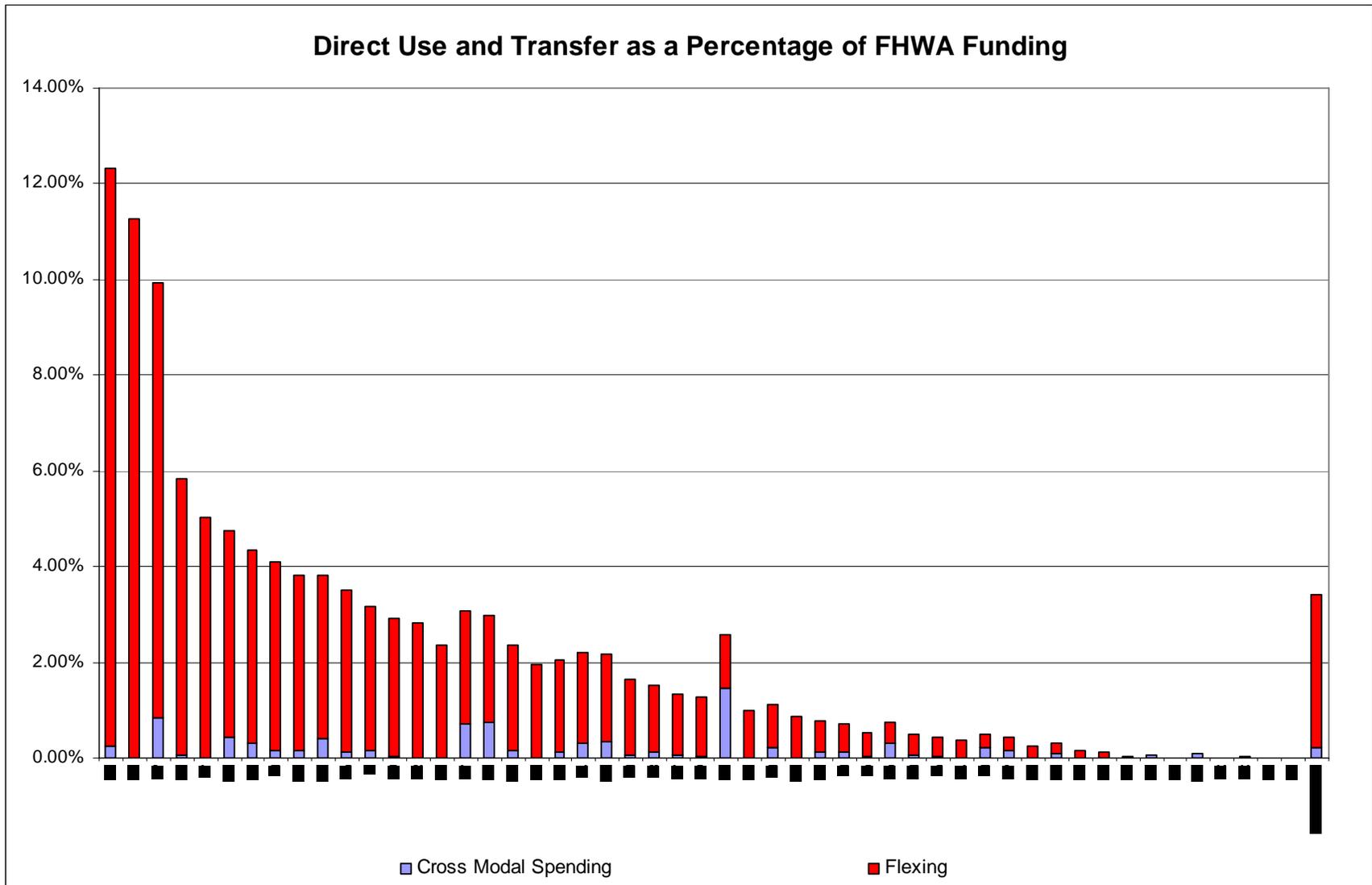


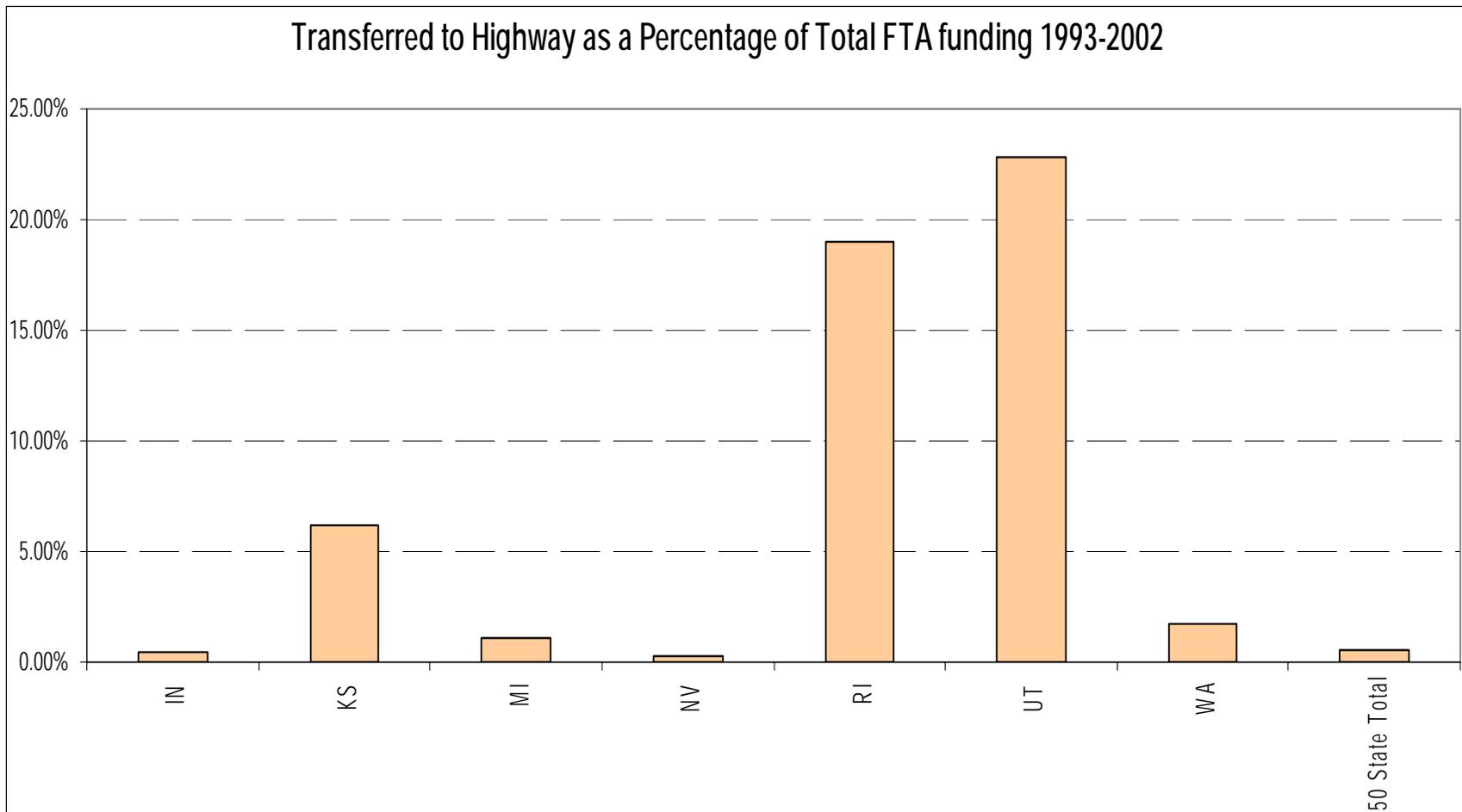


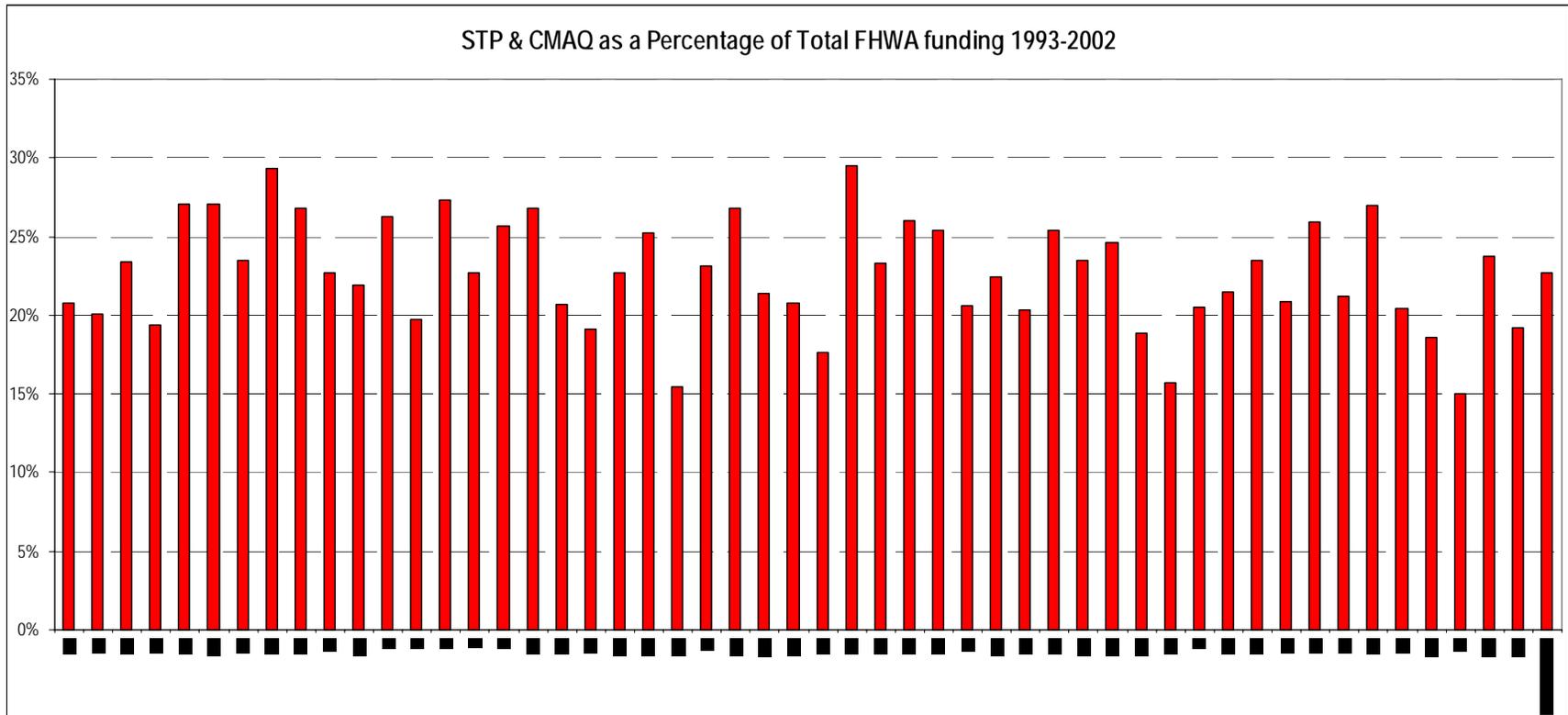


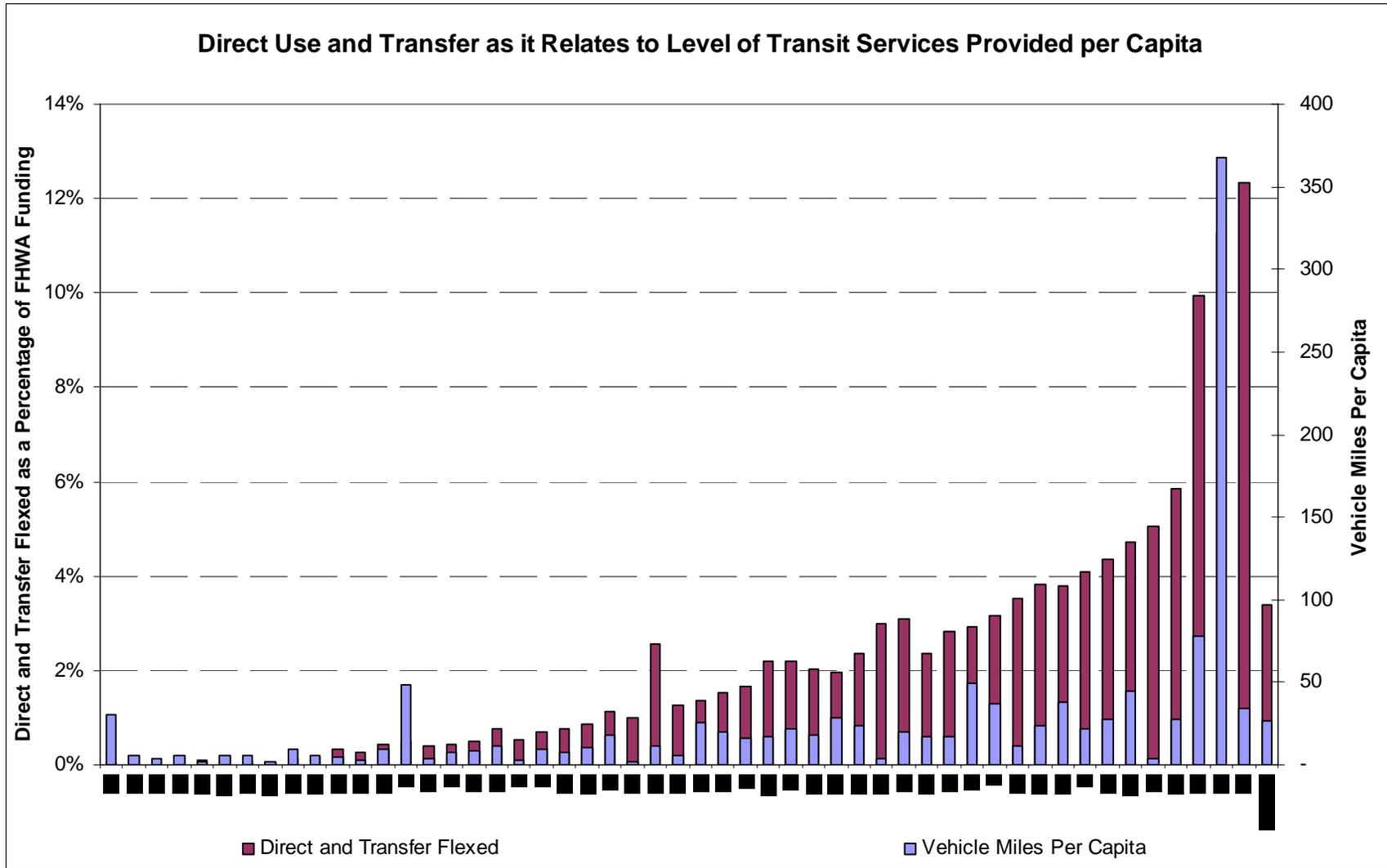






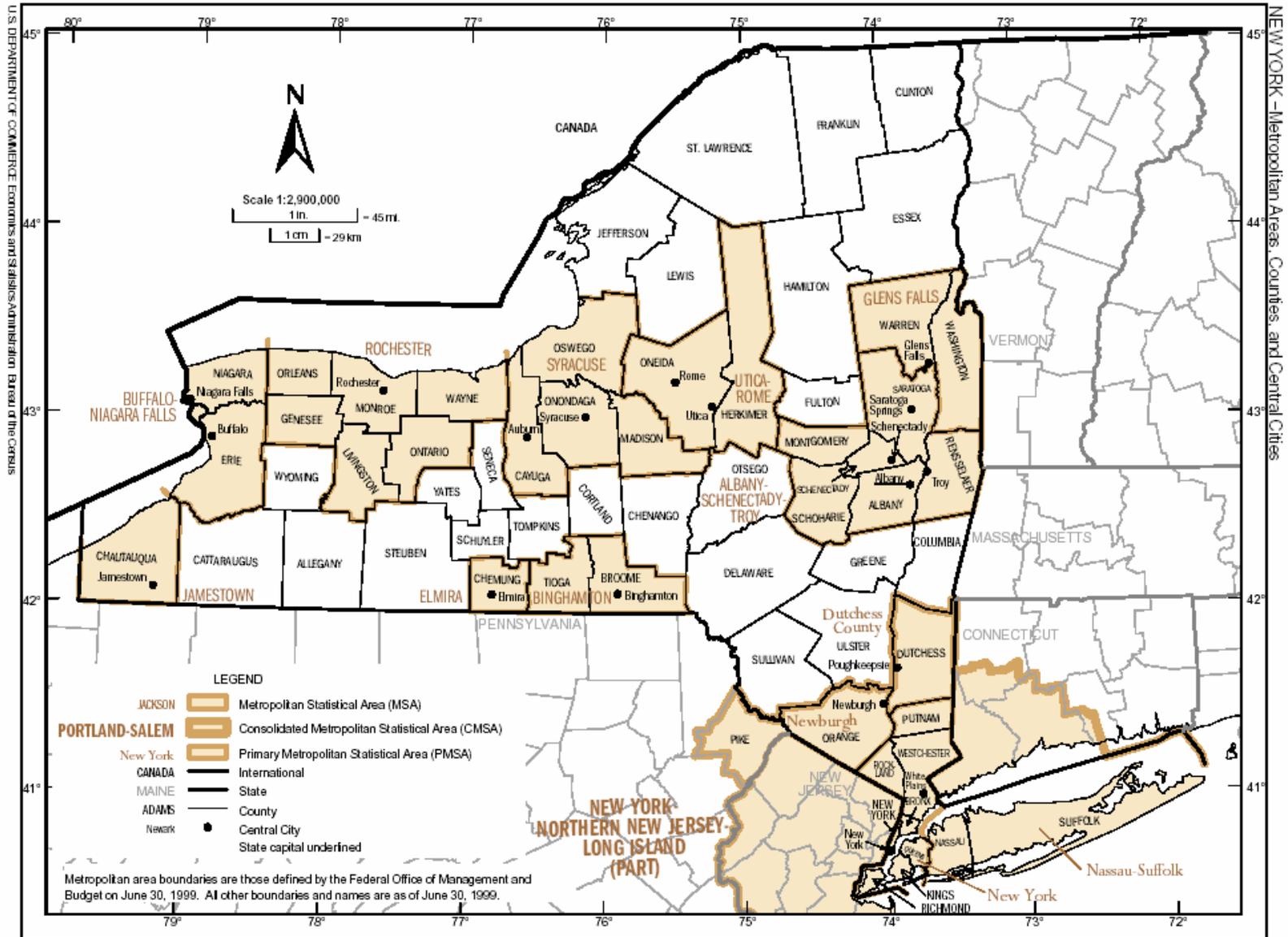






Appendix E: Three Case Studies

Albany-Schenectady-Troy, NY Metropolitan Statistical Area



Albany-Schenectady-Troy, NY Metropolitan Statistical Area

<http://www.cdtcmpto.org/>

The Capital District Transportation Committee (CDTC) is the designated Metropolitan Planning Organization (MPO) for the Capital District Transportation Management Area (TMA) which includes the counties below.

- Albany County, NY
- Rensselaer County, NY
- Saratoga County, NY
- Schenectady County, NY

The MPO is responsible for carrying out the continuing, comprehensive, coordinated transportation planning process for the region. Part of the responsibility is the maintenance of a long-range Regional Transportation Plan (RTP). The most recent RTP is called *NEW VISIONS*. In addition, CDTC is responsible for maintaining short-range Transportation Improvement Programs (TIP's) for the area's major highway and transit facilities.

The CDTC Policy Board is composed of local government and transportation agencies representatives. Its membership includes chief elected officials of each of the eight cities and four counties and members representing the area's towns and villages. Other members include representatives of New York State Department of Transportation (NYSDOT), Capital District Transportation Authority (CDTA), the Capital District Regional Planning Commission (CDRPC), the New York State Thruway Authority, the Albany County Airport Authority, and the Albany Port District Commission.

Programming Principles

Given CDTC's responsibility under the TIP and the *NEW VISIONS* plan, the MPO operates under the following programming principles:

1. **Preserve and Manage.** CDTC's highest priority is preserving and managing existing investment in the region's transportation system. Specific policies direct investment based on function and need; the priority for improved design and condition of major facilities should not depend on facility ownership.
 2. **Develop the Region's Potential.** The Capital Region is a single economic unit containing a rich heritage, historic communities that cannot be replicated elsewhere, vibrant suburban areas, abundant open space and recreational opportunities, great natural resources and a highly educated work force. This region can grow into a uniquely attractive, vibrant and diverse metropolitan area. CDTC will consider community development and regional development plans as key factors in making transportation investment decisions.
 3. **Link Transportation and Land Use.** Local land use decisions impact the function of the transportation system -- and vice versa. This relationship is paramount to all transportation planning and programming decisions. Achieving the plan's goals is as much dependent upon achieving unprecedented success in the land use area as it is on improving the transportation system.
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4. **Plan and Build for All Modes.** Transportation planning and project design need to consider and accommodate more than cars. Pedestrians, bicyclists, delivery vehicles, long-distance trucks, rail crossings and intermodal terminal access are among the modes and modal considerations elevated by the plan.

The principles state when and how CDTC believes transportation investment is warranted, and when it believes such investment is not warranted. *New Visions* budgetary guidance is stated as follows:

2. CDTC desires full implementation of all plan elements. For example, reducing the percentage of deficient bridges to 20% (one element of the plan) and improving bike and pedestrian accommodations on a priority network (another element) are both important and complete implementation success is desired for both.
3. Under constrained budgets, preserving the existing transportation system has a higher priority than making improvements or additions. CDTC's existing principles and the *New Visions* effort have repeatedly emphasized the need to maintain what the region currently has as a priority.
4. Even under constrained budgets, making some degree of progress with improvements is essential. It is realistic and appropriate to assume that some amount of highway or bridge improvement, bike accommodation or access management redesign will be included in CDTC's and members' action agendas -- even if budgets are reduced from historic levels.
5. Availability of funds dedicated to a particular mode, system or purpose frees up "flexible" funds. Sources with a tightly defined list of eligible purposes are a reality. These benefit specific purposes directly, and other purposes indirectly. Practically speaking, if CDTA receives a discretionary Section 5309 capital grant for bus replacement, or if State Dedicated Funds for state highway projects are increased, this increase reduces the load on other, flexible fund sources.
6. *Priority for the use of flexible funds is not to be based on ownership.* This statement emphasizes CDTC's historic perspective, on funding, reaffirmed through the *New Visions* effort -- funding availability and project design should be based on function and location, not on issues of jurisdiction.

Based on these principles, CDTC's approach to TIP development is based upon the conclusions that:

1. Flexible funds can be broadly targeted to specific project categories based on relative funding need -- after accounting for the availability of dedicated funds and after assigning extra weight to the funding requirements of preserving the existing system; and,
2. Project priority within a project category can be determined based on need, cost effectiveness, urgency and other factors.

Programming New Projects

CDTC initiate the planning of new projects to be included in the TIP by sending letters to every jurisdiction's chief elected official to solicit candidate projects. Once project applications are received, each project is evaluated for merit through the following three steps.

1. **Screen:** minimum requirements were established to ensure every project considered for programming is consistent with *NEW VISIONS* and local land use plans, has a funding plan, could be constructed within the five-year period, and is eligible for federal funds. The following are the screening criteria that must be met before merit evaluation occurs.
 - a. Consistency with TEA-21, and CDTC and local plans,
 - b. Provision of local matching funds,
 - c. Defined scope and timing
 - d. Meeting an identified need
 - e. Federal-aid eligibility

2. **Evaluate Merit:** A project must pass screen in order to proceed to merit evaluation. The Merit evaluation procedure uses the best available information from CDTC's models, from corridor studies, and from the project sponsor. Wherever possible, measures that cut across modes, such as relative cost effectiveness, are used. Projects passing the screening test are categorized according to type as follows and then is evaluated in terms of merit:
 - a. Bridge projects
 - b. Pavement projects
 - c. Transit Support projects
 - d. Safety projects
 - e. Community Compatibility and Economic development
 - f. Congestion Relief project
 - g. Bicycle and Pedestrian

3. **Choose Project:** A balanced TIP contributes to a staged regional plan for maintenance of essential facilities and services, demand management and capacity improvements. Before considering new projects, the balance of the TIP's existing commitments is examined, from a variety of perspectives—project sponsor, geographic, and project type. Then, programming capacity is assigned to projects in three rounds as describe below.
 - a. **Round One Programming:** Consist of a filtering process focusing upon assigning funds to cost-effective projects in important locations. Projects in each category are listed in descending order of quantitative benefit/cost ratio in two groups: those that pass at least two filters and those that do not. The three filters are as follows:
 - i. **Benefit/Cost Ratio:** Projects whose Benefit/Cost ratios were in the top half of the Benefit/Costs of a given category pass this filter. Those in the bottom half, fail this filter. For Bicycle/Pedestrian projects, a Weighted Score was used instead of Benefit/Cost ratios.

- ii.* **Functional Classification:** Projects were awarded a passing status for this filter if the proposed work was on an NHS road or Principal Arterial. Other projects fail this filter. This filter served as a way to make sure that regionally significant facilities are elevated in consideration.

- iii.* **Priority Network Score:** Every project was assigned a priority network score. Projects in the top half of the Benefit/Costs of a given category pass this filter. New Visions task forces defined priority networks as a way to focus investment where it is needed most and where the ultimate project design is likely to achieve multiple objectives. Priority network status is used as (an admittedly imperfect) proxy for the extent to which a project implements New Visions goals and principles. Relevant priority networks are assigned by project type.

CDTC staff assigned points to specific projects as follows:

- 3 points for being a relevant priority network with features that address priority network concerns;
 - 2 points for being on the network (but no known features at this time);
 - 1 point for including features (even if not on the network); and
 - 0 points for not being on the network, and including no known features.
- b.* **Round Two Programming:** Round two provides funds for projects from any category for any reason, insuring an opportunity for projects whose benefits don't qualify well.
- c.* **Round Three Programming:** After public review, in step three, CDTC may program the balance of the funds to projects, insuring some ability to respond to public comment.

Guidelines for TIP Changes

Type of Change	Responsibility		
	CDTA or NYSDOT	Planning Committee ¹	Policy Board ²
(1) Addition or Deletion			
(a) Addition of project from regional set-asides	---	Approve	---
(b) Addition of project under or equal to \$0.250M	---	Approve	---
(c) Addition of project over \$0.250M	---	Recommend	Approve
(d) Addition of project element under or equal to \$0.250M ³	Approve	---	---
(e) Addition of project element over \$0.250M ³	---	Approve	---
(f) Addition of STP Enhancement Project after approval by state advisory committee	---	Approve	---
(g) Combining two or more existing projects	---	Approve	---
(h) Other	---	Recommend	Approve
(2) Scope and Cost			
(a) Over 25% (minimum \$250 k) or over \$500 k ⁴	---	Approve	---
(b) Over 50% (minimum \$1M) or over \$3M ⁴	---	Recommend	Approve
(c) Scope change necessitating recalculation of system-level air quality conformity of non-exempt project	---	Recommend	Approve
(d) Other significant scope change ⁵	---	Approve	---
(e) Other	Approve	---	---
(3) Fund Source Change			
(a) Change between Title I federal fund sources ⁶	Approve	---	---
(b) Change from federal to non-federal fund source	Approve	---	---
(c) Change from non-federal to federal fund source	---	Recommend	Approve
(d) Change between Title III federal fund sources	---	Approve	---
(e) Any other federal fund source change	---	Recommend	Approve
(4) Schedule Change			
(a) All affected project elements are contained in the first three years of the TIP before and after the schedule change ⁷	Approve	---	---
(b) Any other schedule change	---	Approve	---

¹Changes requiring Planning Committee action are minor TIP amendments. The Planning Committee may defer approval to Policy Board, if desired.

² Changes requiring Policy Board action are major TIP amendments.

³ A project element is a phase of the project, such as construction or right-of-way acquisition.

⁴ Percentages are percentages of total project five-year plus committed column federal cost.

⁵ A significant scope change is a significant change to the project limits, type or scope.

⁶ Change from a capital fund source to Metropolitan Planning Funds (PL) requires UPWP action by CDTC.

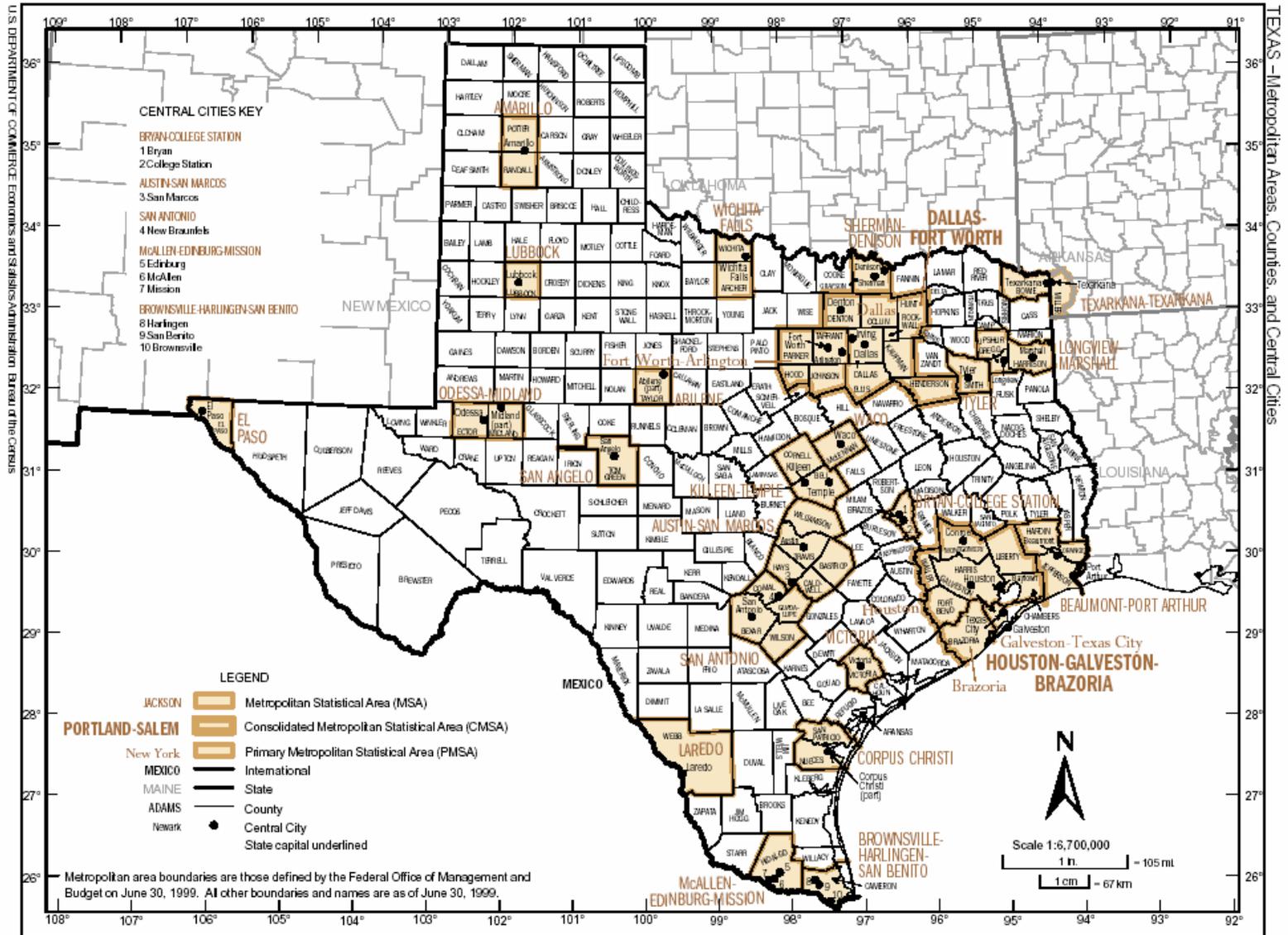
⁷ This includes funds programmed in the "Committed" column of the TIP that are not obligated by September 30 of the Committed fiscal year.

Source: CDTC Transportation Improvement Program 2003-2008, June 19, 2003

CDTA Experience with Flexible Funding

Year	Transit Signal Priority-200-2003	Travel Demand Management-2000-2003	Corridor Management, 2000, 2002, 2003	Rensselaer Rail Station
Type of Project (vehicle, service, etc.)	ITS	Transit Use Promotion	Planning	Intermodal Facility
Size of project (cost, federal share)	Total: \$9 million, 62% federal-spread over 4 federal grants, 3 years	Over 3 years, \$1.5 million, 80% federal	\$436 thousand over 3 years, 3 grants	\$52 million, federal share 51%
Project Sponsor	CDTA/NYS DOT	CDTA	CDTC/CDTA	CDTA
Type of "Flex"	Flexed to FTA	Flexed to FTA	Flexed to FTA	Flexed to FTA
Type of Funds (transit, STP, CMAQ, NHS, other)	CMAQ-\$2.8million, Transit 5307- \$2.8 million State \$2.8 million local \$600 k	CMAQ-\$1.2m 80% federal 10% state \$150k 10% local \$150k	STP 80% =\$350k State – 10% Local – 10%	Transit Section 5307 & 5309, STP, State, Local
Amount Flexed	CMAQ \$2.8 million	CMAQ \$1.2 million	STP-\$350k	STP-\$7.8million
Final Funding composition	CMAQ-\$2.8million, Transit 5307- \$2.8 million State \$2.8 million local \$600 k	CMAQ-\$1.2m 10% state \$150k 10% local \$150k	STP 80% State – 10% Local – 10%	Federal-\$27 million (\$7.8 million of which was flex), State \$25.4 million, local remainder.

Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area



Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area

<http://www.NCTCOG.org>

The North Central Texas Council of Governments (NCTCOG) define themselves as a voluntary association of, by and for local governments, and was established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. In 1974, the governor of Texas designated NCTCOG as the Metropolitan Planning Organization (MPO) for regional transportation planning in the Dallas-Forth Worth Metropolitan Area. The Regional Transportation Council (RTC), comprised of local elected officials, TxDOT district engineers, transportation authority board members, North Texas Tollway Authority representative, and a maximum of three citizen representatives, is the independent regional transportation policy body associated with NCTCOG. Staff support to NCTCOG and the RTC is provided by the state transportation department. Transportation planning activities encompass the following counties.

- Collin County, TX
- Dallas County, TX
- Denton County, TX
- Ellis County, TX
- Johnson County, TX
- Kaufman County, TX
- Parker County, TX
- Rockwall County, TX
- Tarrant County, TX

As the MPO and as a nonattainment area, the NCTCOG and the RTC are responsible for preparing and maintaining three key elements of regional planning process as follows:

- The regional transportation plan (Mobility 2025: The Metropolitan Transportation Plan)
- The transportation improvement program (TIP)
- A unified planning work program (UPWP)

Project Selection and Prioritization Process

Before transportation improvement projects are selected and placed into the TIP, they are evaluated to ensure that they are consistent with the current Metropolitan Transportation Plan and Air Quality Conformity Determination. These steps ensure that projects improve regional safety and mobility without detrimentally impacting air quality within Dallas-Fort Worth area. In addition, the TIP has been analyzed to ensure that project listings are fiscally constrained to available resources, meaning that projects can only be included if federal funds are available to cover project costs.

Project Selection Responsibility

The MPO has project selection responsibility for the following funding programs:

- Surface Transportation Program—Metropolitan Mobility (STP-MM) funds in the Dallas-Fort Worth-Arlington Urbanized Area, the Denton-Lewisville Urbanized Area, and the McKinney Urbanized Area;
- Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds in the Dallas-Fort Worth ozone nonattainment area; and
- Transit Section 5307—Urbanized Area Formula Program (UAFP) funds in the Dallas-Fort Worth-Arlington Urbanized Area, the Denton-Lewisville Urbanized Area, and the McKinney Urbanized Area.

These projects are selected in consultation with TxDOT, local governments, and local transportation agencies. In addition, projects selected by TxDOT, as part of the National Highway System (NHS), must be selected in cooperation with the MPO prior to inclusion in the TIP.

Project selection for STP-MM and CMAQ usually begins with a Call for Projects (or other invitation to submit projects for consideration) which the MPO issues to local governments and transportation agencies as funds are available. In response, TxDOT, local governments, and other project sponsors can submit projects to be evaluated for funding. Projects are selected based on a fully competitive process, with an emphasis on public and local elected officials' involvement. The selection of projects for funding centers on a technically based project selection and evaluation process; this ensures that the most cost-effective projects are selected when balanced against additional criteria deemed important to the region that includes air quality, mobility, financial commitment, and intermodalism.

TxDOT is responsible for selecting projects for all other funding programs with the exception of Federal Demonstration and Capital Program projects. Texas divides areas into TxDOT Districts that are responsible for selecting projects for various funding categories in their local areas including Elderly and Persons with Disabilities Program projects. Funding at the state level is divided into rural versus urban portion and then distributed to each district in that manor. For example, the Districts have project selection responsibility for the NHS—Rehabilitation Program. Funding categories in which TxDOT Austin has project selection responsibility are those that are selected on a statewide competitive basis and approved by the Texas Transportation Commission, such as the NHS—Mobility Program. Other funding programs such as the Commission Strategic Priority Program are selected directly by the Texas Transportation Commission.

Project Selection Criteria and Evaluation

Prior to ISTEA, federal funds were allocated separately for roadway and transit projects. Roadway projects were selected by TxDOT based on a cost-effectiveness index as reported in the State Project Development Plan (PDP). Transit projects were selected by transit operators and funded based on the federal allocation formula which was based on demographic and service criteria for each transit service area. After the passage of ISTEA in 1991, transportation projects submitted had to compete with each other for limited federal funds. The first occurred in 1991. For example, roadway projects, transit projects, and other transportation-related projects were evaluated with a single set of criteria to determine which would receive federal funding through the STP-MM Program. In addition, project selection had to be in compliance with the Clean Air Act Amendments of 1990 (CAAA) and the Americans with Disabilities Act of 1991 (ADA). Beginning in 1999, specific project selection criteria were developed for each funding program.

Project selection and evaluation procedures were first developed for the 1993 TIP for MPO-selected funding programs. The selection of the criteria was based on a series of interviews that was conducted among transportation

professionals and locally elected officials in Dallas-Forth Worth area. The final selection criteria included cost-effectiveness (current and future), air quality/energy conservation, project commitment/local cost participation, and intermodal/multimodal/social mobility.

Cost-effectiveness (Current and Future) measurement is calculated in two ways as follows:

- Capacity and system improvements-evaluated using a travel time savings methodology
- Other improvements-evaluated based on vehicle hours of delay removed from the traffic stream

Air Quality/Energy Conservation are measured based on change in emissions resulting from implementation of a project. Vehicle emissions are based on vehicle miles of travel and nitrogen oxide emissions. A project can reduce emission by a) improving the speed of traffic flow on a roadway; and b) removing vehicle travel from the traffic stream.

Project commitment/local participation is measured as a ratio of local funds available and total project cost. Projects under the MPO require a 20 percent cash match by the local sponsor. A project may earn additional points with higher local match.

Intermodal/Multimodal Projects/Social Mobility measure whether the project encourages multiple-occupant vehicle travel and facilitates intermodal/multimodal connections. Projects that promote transit use, carpooling and vanpooling, pedestrian and bicycle access, or elderly and disabled transportation services receive the maximum number of points. Projects such as road widening that promote drive-alone travel are given minimum points.

Congestion Management Plan/Transportation Control Measures

For the CMAQ Program only, the Congestion Management System (CMS) Plan and Transportation Control Measure (TCM) criterion is use in evaluating projects. CMAQ funds are allocated to areas that do not comply with the federal clean air standards; thus, projects specifically designed to improve air quality are scored more favorably. Projects that are included in the CMS Plan or TCM categories in the State Implementation Plan for air quality are given the maximum points for this criterion. All other projects are given the minimum points. Once the criteria have been established for project selection, a series of evaluation methodologies are developed for each project type submitted based on the five criteria listed in the above table.

Project Monitoring, Refinement, and Revision

Projects included in the first three years of the TIP may be modified by the RTC at any time. Revisions are submitted for review by the Surface Transportation Technical Committee. The Technical Committees recommend a position on revisions to the RTC. The RTC then acts on the Committees' recommendations. A revision can be submitted directly to the RTC to preclude the normal review processing sequence if rapid turnaround is important. Projects requiring revision to the Statewide Transportation Improvement Program (STIP) are submitted to the Texas Transportation Commission on a quarterly basis for consideration.

RTC TIP Modification Policy

Timely revisions to the TIP are important to avoid funding delays. While all TIP revisions require the approval of the RTC, an administrative amendment policy has been approved by the RTC that delegates that authority to the Director of Transportation in some cases. The RTC policy permits administrative amendments to the TIP by the NCTCOG Director of Transportation between regularly scheduled RTC meetings as shown in the Administrative Amendment Policy.

Allocation Program

TxDOT gives each district, and in some cases divisions, a set amount of money to select and fund certain types of local and regional projects. This delegated funding method allows districts and divisions flexibility to meet local needs. The allocation program is a fund management tool that TxDOT utilizes to manage construction programs (reimbursement program). Projects can be selected for development, developed and let to contract with each project's cost debited to the allocated funds available for that program. The allocation program process of developing projects allows TxDOT districts and divisions the flexibility to respond to modifications requested by the MPO and others without going back to the state commission for every project change or cancellation, as long as the total allocation for that program is not exceeded. TxDOT recently has reduced the number of funding categories from 34 to 12. Projects now either fall under the Statewide Preservation Program (SPP), which is supported by the department's "Maintain It" strategy, or the Statewide Mobility Program (SMP), which is supported by the "Build It" strategy. The 12 categories are listed below with notes indicating whether the fund category is within the allocation program. For fund categories within the allocated programs, the following tables provide a summary of each funding category's allocation formula. More details regarding each funding category including programming authority, allocation status, allocation formula, and a brief summary of any relevant restrictions are presented in Appendix C.

Statewide Preservation Program (SPP)-Maintain It

Category 1- Preventive Maintenance and Rehabilitation – Allocation program

Category 6- Structures Replacement and Rehabilitation – Not allocated

Statewide Mobility Program (SMP)-Build It

Category 2 – Metropolitan Area (TMA) Corridor Projects - Not allocated

Category 3 – Urban Area (Non-TMA) Corridor Projects - Not allocated

Category 4 – Statewide Connectivity Corridor Projects - Not allocated

Category 5 – Congestion Mitigation and Air Quality Improvement – Allocation program

Category 7 – Surface Transportation Program (STP) Metropolitan Mobility and Rehabilitation – Allocation program

Category 8 – STP Safety – Allocation program

Category 9 – STP Transportation Enhancements - Not allocated

Category 10 – Miscellaneous – Allocation program

Category 11 – District Discretionary – Allocation program

Category 12 – Strategic Priority - Not allocated

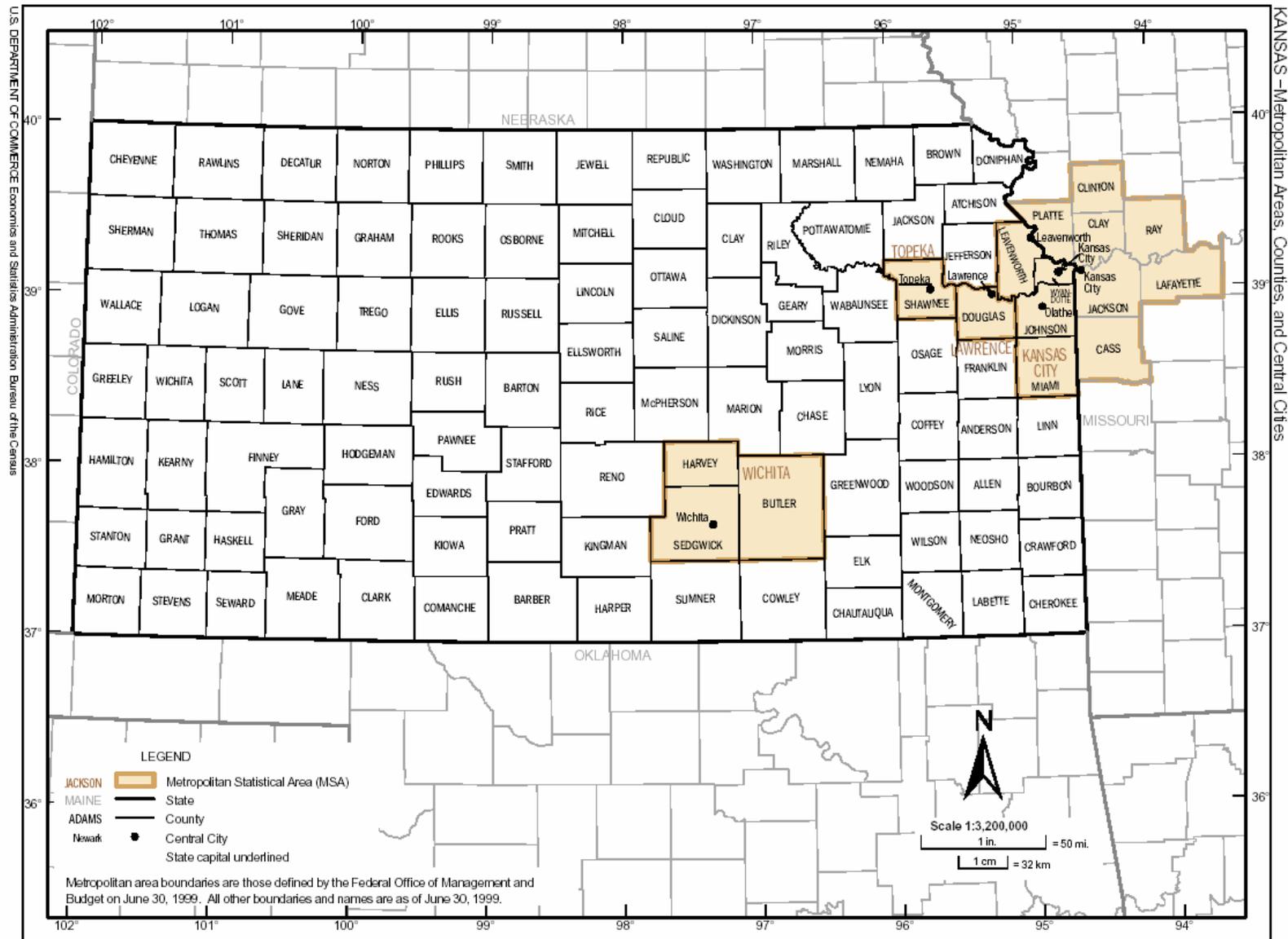
Category #	Allocation Formula
1	<p>Preventive Maintenance: 53% On-System lane miles 40% Lane miles of pavement distress scores between 70-89 5% Vehicle miles traveled per lane mile 2% Square footage of On-System Span Bridge Deck Area</p> <p>Rehabilitation: 15% interstate equivalent single axle loads 10% non-interstate national highway system (NHS) equivalent single axle loads 5% non-NHS equivalent single axle loads 15% on-system lane miles 5% on-system vehicle miles traveled 35% Lane miles of pavement distress scores less than 60 5% lane miles of pavement ride scores less than 20 5% Area of bridge deck with sufficiency rating between 50 and 80 3% centerline miles of 2 lane highways with average daily traffic greater than 400 and pavement width less than 22 feet 2% Centerline miles of operational intelligent Transportation System (ITS)</p>
5	<p>Each non-attainment area receives an annual allocation to expend each year. Allocations are based on population weighted by air quality severity.</p> <p>The program is managed by the districts as an allocation program with eligible projects developed by the districts on an as-needed basis. Projects can be canceled or changed as long as the program balance is not exceeded.</p> <p>Additional programming authority has also been allocated to the Districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through upcoming CMAQ programs.</p>
7	<p>Each urbanized area with a population in excess of 200,000 receives an annual allocation to expend each year. Allocations based on population and distributed to TxDOT districts (based on 2000 census population data).</p> <p>The program is managed as an allocation program, and eligible projects (selected by the Metropolitan Planning Organization) are developed by the districts on an as-needed basis. Projects can be canceled or changed as long as the program balance is not exceeded.</p> <p>Additional programming authority has also been allocated to the Districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through upcoming STP- Metropolitan Mobility/Rehabilitation programs.</p>
8	<p>Allocations for the safety programs are approved by the Texas Transportation Commission, with the programs managed as allocation programs on a statewide basis with projects evaluated, ranked, prioritized and selected by the Traffic Operations Division.</p> <p>Districts/Divisions receive program authority for the projects selected for inclusion in a safety program. The Federal Hazard Elimination Program is usually a one-year program with the program funds available for use within three years. The Federal Railroad Signal Safety Program is usually a one-year program with the program funds available for use within four years.</p>
10	<p>Allocations for the various state programs are approved by the Texas Transportation Commission, with the programs managed as allocation programs on a statewide basis with the projects evaluated, prioritized and selected by the appropriate TxDOT division (the one responsible for the program).</p> <p>The Texas Transportation Commission authorizes TxDOT's participation in the federal miscellaneous programs when federal program funds are available.</p>

	Districts receive program authority for the projects selected for inclusion in one of these miscellaneous programs.
11	<p>Allocations for this program is currently distributed with the following criteria:</p> <p>70% Vehicle miles traveled both on and off the State highway system 30% Registered vehicles And previously used formulas for Categories 4D and 4E associated with the 2002 Unified Transportation Program (see Exhibit A of the 2002 UTP ftp://ftp.dot.state.tx.us/pub/txdot-info/tpp/2002utp.pdf).</p> <p>A new formula will be developed for use in the 2005 SMP.</p> <p>Each district will receive a minimum allocation of \$2,500,000 (as required by Rider 29 to TxDOT's apportionments, Article 7 of House Bill 1, passed by the 78th Texas Legislature) and may not be used to offset over-runs on previously selected projects.</p> <p>The program is managed as allocation programs with eligible projects developed by the districts within their allocations. The District Discretionary Programs are usually one-year programs with the funds available for use within four years.</p> <p>Additional programming authority has also been allocated to the districts for the development of plans, specifications, estimates and right-of-way purchase. Funding of these projects can be made through their annual District Discretionary Program, other district allocation programs or the Strategic Priority Program.</p>

DART Experience with Flexible Funding

Year	2002	2002	2002
Type of Project (vehicle, service, etc.)	Commuter rail double track and bridge (1 new, 1 reconstruction)	Commuter Rail Grade Separation (3 crossings eliminated)	Passenger Plaza
Size of project (cost, federal share)	\$16 Million Total \$12.8 Million federal share	\$31 Million Total \$21.7 million federal share	\$518,000 Total \$374,400 federal share
Project Sponsor	DART	DART	DART
Type of "Flex" (formal Flexing of flexible funds or use of cross modal program eligibility)	Flexed to FTA	Flexed to FTA	Flexed to FTA
Type of Funds (transit, STP, CMAQ, NHS, other)	CMAQ, DART	CMAQ, DART, TxDOT and City of Irving	CMAQ, DART, City of Dallas Parks
Amount Flexed	\$12.8 million	\$21.7 million	\$374,400
Final Funding composition	Same	Same	Same

Kansas City, MO-KS Metropolitan Statistical Area



Kansas City, MO-KS Metropolitan Statistical Area

<http://www.marc.org/>

The Mid-America Regional Council (MARC) is the designated Metropolitan Planning Organization (MPO) of the Kansas City metropolitan area. As the region's MPO MARC coordinates planning for all types of surface transportation, including air, highways, transit, freight movement, and bicycle and pedestrian travel. MARC's Board of Directors consists of 30 locally elected leaders representing the counties and cities in the bi-state metropolitan Kansas City region. MARC receives federal funds to develop regional transportation plans and programs and to coordinate technical and policy studies on a wide range of transportation issues, working in cooperation with the Kansas Department of Transportation (KDOT), the Missouri Department of Transportation (MoDOT), local governments and transit providers. MARC's planning activities encompass the following counties:

- Johnson County, KS
- Leavenworth County, KS
- Wyandotte County, KS
- Cass County, MO
- Clay County, MO
- Jackson County, MO
- Platte County, MO

MARC has several advisory committees to provide input on a wide variety of issues, including transportation. In addition, ad hoc committees or task forces are convened from time to time to address specific issues. Below are brief descriptions of the major committees involved in the transportation planning process.

Total Transportation Policy Committee (TTPC)-members of this committee include elected officials and staff representatives from local counties and municipalities as well as representatives from Kansas City Area Transportation Authority, the Greater Kansas City Chamber of Commerce, the Kansas DOT, the Missouri DOT, FHWA, and FTA. The committee membership also includes a liaison from the Special Transportation Advisory Committee (STAC). The TTPC acts as the primary focal point for MARC's overall transportation planning program. There are five Modal committees that report to the TTPC-each one corresponding with a particular mode or type of transportation including:

- Aviation committee
- Bicycle/pedestrian committee
- Good movement committee
- Highway committee
- Transit committee

There are several other program committees who play an important role in the planning and development of transportation needs. Below are brief descriptions of these committees.

- ***Congestion Mitigation/Air Quality (CMAQ) committee-*** Members of this committee include representatives from local governments, transportation agencies, air quality/environmental agencies. This committee makes recommendations on projects funded with federal CMAQ funds.
 - ***Two Highway Priority Committees,*** one each for Kansas and Missouri. The membership of this committee includes local government staff members and State DOT representatives. This committee plays an important role in prioritizing surface transportation program and bridge projects for inclusion in the LRTP
-

and TIP. There is one committee for each state because funds are apportioned at the state level and must be spent in that state.

- **Missouri Transportation Enhancement Committee**- Members of this committee include local government representatives from the areas of public works, community development, historic preservation, and parks and recreation. This committee provides recommendation to the TTPC regarding Transportation Enhancement Priorities for MoDOT consideration.
- **Special Transportation Advisory Committee (STAC)**- Reports to the Transit Committee and consists of providers of special transportation services within the region, including public transit providers, several social service agencies and community organization. STAC provides policy input on paratransit/special transportation issues and programs and helps select projects under FTA section 5310 and 5311 programs

MARC's long range transportation plan is contained within the Transportation Outlook 2030. This report provides decision-making processes to achieve regional goal. The Outlook was developed through an extensive public involvement process that extended over 15 months and resulted in contacts with over 2,700 individuals across the region. The report focused on four policy areas

1. increase emphasis on maintaining transportation infrastructure
2. increase modal choice-initiate a dialogue between the Total Transportation Policy Committee (TTPC) and MARC's programming committees on federal fund flexibility to encourage project sponsors to propose projects that address more modes of transportation (e.g. capacity projects that include appropriate accommodation for pedestrian, bicyclists, and transit uses as well).
3. better integrate projects into the community
4. better manage roadway capacity

MARC is also responsible for the Transportation Improvement Program (TIP) which includes all federally funded projects, and all capacity projects no matter what their funding source. TIP is a 5 years plan within the LRTP and is financially constrained. After MARC approves the TIP, it is then approved by the Governors or designees, of both Kansas and Missouri and incorporated in the statewide transportation improvement program (STIP) for each state.

TIP Development

The TIP for the Kansas City Metropolitan Planning Area was developed cooperatively by MARC, the state of Kansas and Missouri, the three public transit service providers (Kansas City Area Transportation Authority (KCATA), Johnson County Transit, and Unified Government Transit), and other entities sponsoring surface transportation projects.

A portion of the federal transportation funds received by the Kansas and Missouri Department of Transportation are designated for use in the Kansas City region. These include the Congestion Mitigation/Air Quality Program, and portions of the Surface Transportation Program and Bridge Program. Because MARC is responsible for selecting the projects to be funded through these programs, these funds are accounted for separately from other funds.

Project Selection and Prioritization Process

As mentioned previously, MARC is responsible for deciding which projects will use the sub-allocated federal funds dedicated to the Kansas City Region. Below are descriptions of project selection process for the CMAQ program and the STP and Bridge Program.

Congestion Mitigation and Air Quality Program

MARC programs the CMAQ fund using a competitive application process. The MARC CMAQ Committee, joint subcommittee of the MARC Air Quality Forum (AQF) and Total Transportation Policy Committee (TTPC) govern this process. Project applications are solicited in the following categories with percentages of funding dedicated to each category:

- Transit Projects = 35% of funds
- Traffic flow projects = 25% of funds
- Bicycle-Pedestrian projects = 15% of funds
- Alternative Fuel Projects = 10% of funds
- Outreach/Other Projects = 10% of funds
- Regional Focus/Overburdened Category = 5%

Project applications, prepared by potential project sponsors, are evaluated by MARC staff and by the CMAQ Evaluation Work Group, a subcommittee of the CMAQ Committee, to estimate their air quality impacts, cost-effectiveness, consistency with regional planning, innovation and impact on regional vehicle miles traveled (weighted percentages for these criteria are presented below). Based on the evaluation, and other factors, projects are recommended by the committees and are incorporated into the draft TIP which would go through a public review and comment process. The result of the public review would enable the committees to recommend approval to the MARC Board of Directors or return the projects to the CMAQ committee for revision. When the Board approves, MARC's commitment to the project is formalized.

Projects are evaluated based on the following four criteria:

- 35% emission reduction
- 35% cost effectiveness
- 15% Vehicle Miles Traveled Reduction
- 15% Land Use/Category Specific

Surface Transportation Program (STP) and Bridge Program

STP funds are divided into a number of subcategories, the largest of which is for funds suballocated to Transportation Management Areas by formula based on population (STPM). Both KDOT and MoDOT also elect to dedicate a portion of their statewide Bridge program funds for projects in the Kansas City Area (BRM).

Similar to CMAQ, MARC programs STPM and BRM funds by using a parallel competitive application processes governed by the MARC Kansas and Missouri Priorities Committees (PC), two subcommittees of the TTPC. Projects are solicited in four categories as follows:

- Bridge
- Capacity
- Restoration and Rehabilitation
- Transportation System Management.

Project applications for each state, prepared by potential project sponsors, are evaluated by MARC staff and by the PC, to estimate their impacts on traffic flow, cost-effectiveness, consistency with regional planning, impacts on bridge and pavement condition and other factors. Projects are recommended for funding by the PCs to the TTPC. The TTPC then either incorporates the project lists into the draft TIP for public review and comment, or return them to the

relevant PC for revision. Base on the public comments, the TTPC either recommends approvals of the TIP to the MARC Board of Directors or returns the STP and Bridge projects for revision.

The Kansas PC developed recommendation for this program based on the assumptions about available revenue, whereas, the Missouri PC further subdivides STP and Bridge program funds based on population. "Group A" includes all Kansas City, Missouri and Independence projects, as well as all Capacity projects on the MoDOT system. "Group B" includes all other projects. This division ensures that a portion of the STP and Bridge funds will be available for projects in smaller jurisdictions each year.

Street and Highway Element-Non suballocated Federal Programs

Street and highway projects are not funded through suballocated federal programs. These projects are developed and programmed through KDOT or MoDOT, using combination of state and federal funds, or by local governments using local funds. Each state department of transportation evaluates their own needs and prioritized their own projects based on their project revenue stream.

Public Transportation Element

Fixed-route transit operators (KCATA, Johnson County Transit, and Unified Governments Kansas City) and their associated paratransit services receive federal funding directly. They program their own needs. Transit/paratransit (non-fixed-route) funds are allocated on a region wide basis. The Missouri and Kansas Departments of Transportation administer these funds with regional project priority input by MARC. Final project selection is at the discretion of the two state DOTs.

Modifying the Transportation Improvement Program

Modification to the TIP is allowed depending on the nature of the required modification; MARC will treat the change either as an "Amendment" or as an "Administrative Revision" base on the following criteria.

If a proposed TIP modification meets one or more of the following criteria, it will require a formal TIP Amendment which would need to be reviewed by relevant committees and approve by them:

- A. Addition, deletion or modification of one or more non-exempt projects for the purposes of air quality conformity. The proposed change (amendment) must not adversely affect air quality. The amendment must not result in further environmental review;
- B. Addition, deletion or modification of one or more projects that will involve the use of sub-allocated federal funds. The proposed change must not adversely impact the financial constraint of the TIP. Any revised cost figures must be fully budgeted. Funds must be reasonably expected to be available in the time period proposed;
- C. A change of 25% or more in the value of any federal funds to be programmed for a project. The proposed change must result in no scope changes, or the scope change must be minor in nature. As a general rule, minor means that the same project objectives are achieved.
- D. Addition, deletion or modification of one or more projects deemed to be publicly controversial in nature by MARC staff or the TTPC. The proposed change must be non-controversial. (Projects with significant issues must be taken through the appropriate MARC committee and Board)

MARC amends the TIP on a quarterly cycle. Requests to modify the TIP, along with supporting information must be received by MARC's deadlines.

Program Allocation

The table below summarizes major transportation funding for both Kansas and Missouri State and how these states allocate funding to local MPOs and subdivision of local governments.

Program	State Department of Transportation Program	
	Kansas (KDOT)	Missouri (MoDoT)
Bridge Restoration & Rehabilitation (BRM)	KDOT splits federal bridge funds, with 55% going to the states and 45% to local governments (metro areas, small urban areas, and counties). This 45% is distributed 80% to the counties and 20% to the cities. This distribution was based on historical usage of bridge funds under ISTEA.	The Missouri Highways and Transportation Commission approved allocating \$6.3 million annually of bridge funds to the Kansas City and St. Louis MPO's.
Congestion Mitigation & Air Quality (CMAQ)	The portion of CMAQ funds attributable to Kansas City under the federal formula is less than the minimum allocation. In response to this, KDOT splits CMAQ funds between Kansas City and Wichita, but guarantees that Kansas City will receive at least the amount attributable to it under the federal formula.	Under TEA-21, St. Louis and Kansas City are eligible for funding. The funds are distributed based on county populations residing within the ozone and carbon monoxide (CO) nonattainment and maintenance areas and the severity of the areas air quality problems.
Transportation Enhancements (TE)	This program is administered statewide by KDOT and no funds are sub-allocated to the metropolitan region for programming.	39% of Missouri's federal enhancement funds are allocated to the state's 3 Transportation Management Areas and are distributed by population.
Interstate Maintenance (IM)	Funds are not sub-allocated to the metropolitan region, but proposed projects are reviewed and incorporated into the TIP.	Funds are not sub-allocated to the metropolitan region, but proposed projects are reviewed and incorporated into the TIP.
National Highway System (NHS)	Funds are not sub-allocated to the metropolitan region, but proposed projects are reviewed and incorporated into the TIP.	Funds are not sub-allocated to the metropolitan region, but proposed projects are reviewed and incorporated into the TIP.
Surface Transportation Program (STP)	Metro STP funds are established in federal legislation and therefore are a fixed amount. Kansas receives a total amount of Metro STP funds each year and the split of the funds between metropolitan areas in the state, is based on population.	Metro STP funds are established in federal legislation and therefore are a fixed amount. Missouri receives a total amount of Metro STP funds each year and the split of the funds between metropolitan areas in the state, is based on population.

Source: Mid-America Regional Council (MARC)

KCATA Experience with Flexible Funding

Year	2001	2001	2001	2002
Type of Project (vehicle, service, etc.)	Transit Center Construction-Independence	New suburban bus route-Western Wyandotte County.	Ozone Alert and Transit Marketing	Preventive Maintenance to avoid service cuts in KCMO
Size of project (cost, federal share)	\$800,000	\$780,000	\$137,200	\$1.6 million
Project Sponsor	KCATA	KCATA & Wyandotte Co.	KCATA and other transit operators	City of Kansas City and KCATA
Type of "Flex" (formal Flexing of flexible funds or use of cross modal program eligibility)	Formal Flexing	Formal Flexing	Formal Flexing	Formal Flexing
Type of Funds (transit, STP, CMAQ, NHS, other)	CMAQ	CMAQ	CMAQ	STP
Amount Flexed	\$800,000	\$780,000	\$137,200	\$1.6 million
Final Funding composition	CMAQ & section 5309 and local match	CMAQ & local match	CMAQ & local match	STP & Local Match