

ACTION TRANSMITTAL No. 2015-07

DATE: February 19, 2015
TO: Technical Advisory Committee
FROM: TAC Funding and Programming Committee
PREPARED BY: Joe Barbeau, Senior Planner (651-602-1705)
SUBJECT: Federal Funding Reallocation Policy
REQUESTED ACTION: The Federal Funding Reallocation Work Group requests that TAB adopt the Federal Funding Reallocation Policy.
RECOMMENDED MOTION: Recommend approval of the Federal Funding Reallocation Policy.

BACKGROUND AND PURPOSE OF ACTION: In December 2012, the TAB approved a new Program Year Policy that eliminates the sunset date beginning with projects currently programmed in 2014 while providing for a process to request a one-year program year extension.

With the new federal transportation legislation, MAP-21, funding is tied more directly to specific funding programs with specific outcomes, performance measures and targets, resulting in more difficulty in shifting funds to different years. MnDOT is no longer able to shift federal funds from programs under their control to accommodate program year changes among regionally-selected projects.

A Federal Funding Reallocation Work Group was established to accomplish the following charge:

1. Assess current policy on federal funding reallocation in light of MAP 21 changes and project timing needs.
2. Document examples of recent reallocations.
3. Establish proposed principles for funding reallocations.
4. Develop options to manage funding reallocations.

The group's efforts resulted in the attached policy proposal, which is based on the following guiding principles:

- Be sure to spend all available funds in the region.
- Fund or advance projects selected through the regional solicitation process first
- Resolve issues as soon as possible (so as not to "reward" dropping projects at the last minute).
- Projects, not agencies, are funded.
- Maintain transparency and inclusiveness.
- Maintain fairness and geographic balance.
- Use a performance-based evaluation.
- Use a solicitation only if there is enough time and adequate funding to warrant one.
- Reward project readiness.

- Keep funding within the same mode when possible.
- Be practical. Make sure there is a reasonable expectation of delivery.

RELATIONSHIP TO REGIONAL POLICY: Moving Ahead for Progress in the 21st Century (MAP-21), the federal transportation bill signed into law in 2012, reduces the ability for federal funds to be deferred to subsequent years. Therefore, it is important for the Council to have a simple and consistent policy for reallocating funds when projects are delayed or withdrawn. In December 2012, the TAB approved a new Program Year Policy that eliminates the automatic additional sunset year beginning with projects programmed in 2014 while providing for a process to request a one-year program year extension for extenuating circumstances.

COMMITTEE COMMENTS AND ACTION:

The Funding and Programming Committee asked that reference to pro-rating funds “up to the maximum 80%” be changed to “up to the federally allowed maximum.” This allows for flexibility for programs that do not have an 80% maximum.

The Funding and Programming Committee unanimously recommended approval of this policy, with the above change, at its February 19, 2015, meeting.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review & Recommend	2/19/2015
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Adopt	