

## INFORMATION ITEM

**DATE:** July 28, 2021  
**TO:** Technical Advisory Committee  
**PREPARED BY:** Joe Barbeau, Senior Planner (651-602-1705)  
Steve Peterson, Manager of Highway Planning and TAC/TAB  
Process (651-602-1819)  
Elaine Koutsoukos, TAB Coordinator (651-602-1717)  
**SUBJECT:** 2022 Regional Solicitation: Outlier Adjustments

At the June 17 Funding & Programming Committee meeting, members discussed the topic of outlier adjustments at length. While no votes or “official” stances were taken, members tended to agree on the following points:

- An outlier can cause a scoring measure to lose its value by providing minimal differentiation between most applications.
- An adjustment can help to create differentiation between applications.
- Adjustments will diminish the advantage for the top-scoring project, and it is worth exploring mitigating that impact.
- A reasonable interpretation of when an outlier adjustment may be needed is when no application scores even 50% of the top-scoring application.
  - While there was dissent, most members thought scoring committees should use their judgment on whether it makes sense to make an adjustment.
- A reasonable outlier adjustment would be to move the second-place application to a percentage of the top application (e.g., 50% or 75%) at the discretion of the committee members.
- Not every adjustment that has been made has been successful. Committees should use care when making an adjustment.
- An outlier should be a “last resort.”

At this point, the Committee will consider providing a recommendation for how to address outliers. Some options include:

1. Do not make any changes. This will result in scoring committees continue to use the “we know it when we see it” approach to addressing outliers.
2. Disallow outlier adjustments
3. Set prescriptive parameters for a) when to adjust for an outlier and b) how to adjust.
  - When to adjust:
    - When no application scores even half of the full points scored by the top-scoring application.
    - A different approach?
    - Should a minimum number of applications be required for an outlier to be adjusted for?
  - How to adjust:
    - Allow committees to set the second-ranked application at 50% to 75% of the top-scoring project.
    - A different approach?

- Following adjustments, committees should closely examine whether the adjustment is effective. The example on page 3 shows an actual adjustment (setting the second-ranked project at the same value as the top-ranked project) and how that adjustment would have performed setting the second-ranked project at 50%.

Assuming outliers are allowed with scoring committee discretion, consideration could be given to not allowing this decision to be subject to a scoring challenge. A challenge was made in 2020, with an applicant suggesting that an outlier adjustment should have occurred on a measure.<sup>1</sup>

#### Funding & Programming Committee Comments

At its July 22, 2021 meeting, members shared the following thoughts:

- Assurance needs to be made that the top-rated project benefits after any adjustment is made.
- Guidance should be provided to the scoring committee that the use of outliers should be rare.
- Council staff, the TAB Coordinator, and the TAC F&P Chair should vet the use of an outlier as part the scoring process if proposed by a scorer/scoring committee.

---

<sup>1</sup> The score was not changed, as Funding & Programming determined that the scorer and scoring committee did not have an obligation to adjust for an outlier since there are no standards.

## Example of Unsuccessful Adjustment that Meets Parameters Suggested at 6/17/2021 Funding and Programming Committee Meeting

Regional Solicitation: 2018

Funding Category: Roadway Strategic Capacity

Scoring Measure: 1B Connection to Total Jobs, Manufacturing/Distribution Jobs, and Students (Connection to Total Jobs Component) NOTE: this adjustment set the second-ranked project at the full score of the first project. Shown in parentheses is the result had the second-ranked project been set at 50% of the top-ranked project, as has been suggested in recent meetings.

Employment w/i 1 mile	Score (Max 50) - Per Scoring Guidance	Final Score - Per Removal of High Scoring Outlier	Change in Gap Over Below Score	Change in Gap vs. Top
72,624	50	50 (50)	-40 (-15)	N/A (N/A)
13,974	10	50 (25)	+10 (+4)	-40 (-15)
10,291	7	37 (18)	+2 (+1)	-30 (-11)
9,813	7	35 (18)	0 (0)	-28 (-11)
9,373	6	34 (17)	+6 (+2)	-28 (-11)
7,705	5	28 (14)	+1 (0)	-23 (-9)
7,546	5	27 (14)	+3 (+2)	-22 (-9)
6,585	5	24 (12)	+1 (0)	-19 (-7)
6,172	4	22 (11)	+2 (+1)	-18 (-7)
5,460	4	20 (10)	+2 (0)	-16 (-6)
5,044	3	18 (9)	0 (0)	-15 (-6)
5,001	3	18 (9)	+8 (+3)	-15 (-6)
2,609	2	9 (5)	+4 (+2)	-7 (-3)
1,064	1	4 (2)	+1 (0)	-3 (-1)
787	1	3 (1)	+1 (0)	-2 (-1)
440	0	2 (1)	+1 (0)	-2 (-1)
276	0	1 (0)	N/A (N/A)	-1 (0)

The original scoring spread resulted in one application scoring 50 points while 16 applications scored 0 to 10 points, providing almost no differentiation among the applications not ranked first. The adjustment in the third column was meant to address this, though the change in scoring gap was marginal, primarily impacting the advantage of the top-performing application. This is shown in the far-right column, which shows the loss of margin between each project and the top-rated project. An adjustment of the second-ranked project to 50% of the top-ranked application shows a similar trend, though the gaps on the lower-ranked applications are impacted even less, as is the disadvantageous impact on the top-ranked application.

Overall, either adjustment is most beneficial to the second-ranked application and most damaging to the top-ranked application.