Call to Order

A quorum being present, Committee Chair Thompson called the regular meeting of the TAC Funding and Programming Committee to order at 1:00 p.m.

Agenda Approved

Chair Thompson asked for any changes to the agenda. Committee members did not have any comments or changes to the agenda. A roll call vote was not needed for approval of the agenda as no committee member offered an amendment to the agenda.

Approval of Minutes

It was moved by K. Keel, seconded by N. Spooner-Walsh to approve the minutes of the February 16, 2023 regular meeting of the TAC Funding and Programming Committee. Motion carried.

Public Comment on Committee Business

There were no public comments.

TAB Report

E. Koutsoukos presented the report from the March 15, 2023 TAB meeting.

Business
There were no business items.

**Information**

1. PROTECT and Regional Solicitation Program Balancing (Brian Shekleton, MnDOT; Bethany Brandt-Sargent, MTS; Steve Peterson, MTS)

**PROTECT Overview**

Brian Shekleton from MnDOT’s Office of Sustainability and Public Health presented on PROTECT and Regional Solicitation Balancing. PROTECT (Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation) is a new federal program authorized in the 2022 Infrastructure Investment and Jobs Act (IIJA) designed to provide states funds to help make surface transportation more resilient to current and projected natural hazards. The formula program provides $23 million to the State of Minnesota annually.

K. Keel asked if the $23M is new or diverted from other funding, directly to MnDOT. B. Shekleton responded that PROTECT is a new program from the federal government. The funds are going to MnDOT which will be distributed to regional districts and area transportation partnerships (ATPs). In the metro area they will be accessed through the regional solicitation.

K. Keel asked if these funds would be used to create new category in the regional solicitation or would this go into existing categories. S. Peterson responded that this question would be covered in the second part of the presentation.

N. Koster asked if there are any stipulations on doing planning first versus funding capital projects. B. Shekleton responded that to access funds, projects should be in the Statewide Transportation Improvement Program (STIP) or Transportation Improvement Program (TIP) for this fiscal year and next. There are not enough funds to do “landmark projects” rather MnDOT is looking for elements that could be added to existing projects or planning that can be leveraged for multiple future projects.

N. Koster asked if MnDOT knows where it is going to allocate PROTECT funding to existing TIP or STIP projects since timeline is so short. B. Shekleton responded that MnDOT is engaging with planners and engineers around the state to help them understand the guidance that is available. It is explicit in the law that this funding is not for filling funding shortfalls but to enhance resilience within projects.

M. Dahlheimer asked for clarification if PROTECT funding is intended to fund project elements rather than a whole project and for an example where an entire project would be considered a resilience improvement activity. B. Shekleton responded that so much of eligibility is linked to context and gave an example of Lake Walk in Duluth; if it was going to be rebuilt in place after being destroyed by lake ice, only elements could be funded but if the whole facility would be moved the whole project could be eligible. MnDOT’s view is eligibility is less about boxes checked and more about what will happen to infrastructure if changing weather trends continue.

M. Thompson commented that it seems like the program looks for low cost/high benefit improvements or project elements for resilience.

**PROTECT Funding and Met Council Regional Solicitation**

Bethany Brandt-Sargent and Steve Peterson presented on funding aspects of PROTECT and the Regional Solicitation. The Met Council’s approach is to fund eligible elements of projects funded in the last Regional Solicitation cycle. This frees up other funding that can be used to...
pay down some overprogramming and pay back advanced construction projects sooner.

K. Keel clarified that it sounds like new funds will be absorbed into the existing program, not funding new programs or projects or increase available funding but rather reduce overprogramming. In future years will we do the same thing or have a separate category?

J. Pieper asked for clarification regarding requirements for tracking cost distribution if roadway reconstruction projects have elements that are funded by PROTECT. C. Brown responded that projects will have to track PROTECT and Carbon Reduction funds separately. It will be a little more work but not that much. It is not a separate project number, just identifying funds as coming from a different pot.

M. Samuelson asked if PROTECT funds are intended to improve resiliency not back fill funding gaps, but it seems like they are being used to get our overprogramming amount down; are we proposing additional scopes to projects? How are we addressing guidance from the program while also paying down overprogramming? S. Peterson responded that there are a couple of issues, including timing. The best-case scenario would be to use PROTECT funding on new projects identified in the 2024 funding cycle. There are unfunded projects from the 2022 funding cycle that do have elements that could absorb PROTECT funds. Given that Regional Solicitation just ended, those projects are not in the TIP and the amount of overprogramming suggested paying down overprogramming was the best approach for now. B. Shekleton added that MnDOT has been having a robust discussion about what we can do and is being careful to not supplant existing funds but rather augment resilience. The concerns are valid and MnDOT is working on it. C. Brown added the PROTECT funds are not being used to pay down overprogramming but will replace other funding sources which can then be released and used to pay down overprogramming.

N. Koster asked if the information presented requires any action by the committee or is it more informational? S. Peterson responded that if projects receive new funding and other funding is released it is typically not an action item and just information.

M. Thompson asked if there were requirements on how MnDOT should distribute this money? B. Shekleton responded that there were no requirements, but it was decided by MnDOT leadership that 70% would go to MnDOT Districts and 30% to ATPs who would manage funds.

A. Stenson stated that this seems like a lost opportunity to use these funds for new aspects and does not meet the goal of expanding resilience. PROTECT funds are not meant to backfill gaps or supplant other federal funds and that is exactly the proposal. Carver County is opposed to the recommendation and would like to see other options, including direction from TAB. Carver County would like to see these funds used for new projects and does not see them as different from the Carbon Reduction funds, noting it is only two months after initial project selection and do not see it as an issue for funding these projects.

A. Stenson asked if MnDOT would be using the 2024 and 2025 funding and then the MPO would receive 2026 and 2027 funding. B. Shekleton responded that MnDOT leadership voted on the 70/30 split acknowledging that dollar amount going out to ATPs would not change. Some of the 2022 funding was used for developing the resilience improvement plan. By combining some funds, MnDOT was able to fund the planning effort that will save money over the long term.

M. Thompson asked if for 2024 through 2027, the cumulative amount the metro ATP gets is $6.4 million or is it $6.4 million per year. S. Peterson responded that the total is roughly $21 million. The $6.4 million for 2023 and 2024 is for the entire metro district, so some funding was carved off for Chisago County. Funding in 2026 and 2027 will be $4.7 million and $3.5 million, respectively. MnDOT is assuming this funding source will continue.
M. Thompson asked A. Stenson what they would like to see from staff. A. Stenson replied that they would like to see all options considered by staff that fulfill the program purpose of funding new elements or new projects. S. Peterson replied the committee should look at funding tables in the presentation and think about whether PROTECT funds should be used for existing project elements or new projects. There are three projects from the 2022 solicitation that have eligible elements in them. Staff looked at the next unfunded projects across all categories and three have eligible projects. B. Brandt-Sargent added that a lot of the eligible elements in new projects are very small and so may not be worth extra paperwork or award. Those projects typically have $300 to $600 thousand of eligible elements and the PROTECT funds may not substantively change funding needs.

M. Thompson asked how much time we have to figure out if there are next steps or if this is informational. S. Peterson responded that 2024 funds are being put into the TIP now as we are in that funding year now. The remaining three years are more open and not as urgent as 2024. M. Thompson asked if this topic has been discussed at TAB? S. Peterson responded that it was mentioned at TAB executive committee and is on the agenda for the April TAB meeting.

N. Koster asked if the approach to funding projects in 2024 is set. S. Peterson responded yes, MnDOT is preparing a draft TIP that will be coming to this committee for approval. N. Koster asked if there is a timeline on the funds for 2025, 2026, and 2027 from Federal Highway Administration (FHWA) that those funds need to be spent in that year or be held until 2028 and 2029 when there is a defined plan. S. Peterson responded MnDOT has not indicated whether they can absorb more of the earlier year funding. At some point funding will be sent to the ATPs for allocation. If they cannot, it will likely go back to MnDOT. B. Shekleton added MnDOT is trying to get as much funding to be spent by the appropriate agencies as possible.

K. Keel highlighted a comment from S. Peterson that if we use this to pay down overprogramming it provides more flexibility to use other funds on resilience in the future. S. Mareck stated that Ramsey County would concur that we should not rely on PROTECT funds to backfill overprogramming long-term but would defer to staff on 2024 programming if we do not have any project that can deliver on the funds. Ramsey County would rather keep PROTECT funds in the local programming rather than going back to MnDOT.

S. Peterson mentioned that there are four projects in 2022 and 2023 from Metro Transit, three of which were put into Federal Transit Administration (FTA) Grants that have a five-year timeline to be spent.

I. Eyoh asked if the PROTECT program requires identification of strategies before funds can be used. B. Shekleton replied MnDOT has not explored going down that path.

2. Potential Changes to 2024 Regional Solicitation (Joe Barbeau, MTS; Steve Peterson, MTS)

Joe Barbeau and Steve Peterson presented potential changes to the 2024 Regional Solicitation. The solicitation period will be starting soon and will be looking to fund projects in program years 2028 and 2029. The discussion at the most recent TAB meeting regarding the upcoming regional solicitation and safety criteria weighting was also summarized.

**Safety Criteria Weighting**

N. Koster said that Minneapolis supports emphasizing safety across all modal categories and should influence safety outcomes across the entire solicitation. Safety should help differentiate which projects within modal categories rather than elevate of a particular category over others. M. Thompson replied that the changes should not affect funding between categories.

J. Pieper asked if staff could provide information visually to show the impacts of changes in
scoring in the cost effectiveness and overall score instead of just the scoring appeal adjustment.

C. Hiniker added that there will be a transit planning technical working group meeting on March 29 where they can address any detailed questions regarding transit and how to address safety criteria scoring in the transit category. E. Koutsoukos added that there currently is no safety measure so potentially a measure could be added.

S. Mareck reminded the group that the origins of the safety scoring weights discussion came from the safety performance presentation showing the region below safety targets, particularly serious injury and fatal crashes, for three or four cycles. TAB wanted to make a meaningful difference on serious and fatal crashes to address the gap in targets for region. For transit this is probably a different discussion but for roadway, bicycle, and pedestrian scoring if there are measures that elevate those considerations, focus should be on those to make a meaningful difference on serious and fatal crashes.

M. Dahlheimer said that Washington County felt it is important there is a clear but simple narrative of how changes will help move the needle. There is only so much that can be done in 2024 but a simple statement or narrative of how this discussion originated and how the proposed approach will help get us where we want to be.

M. Thompson suggested providing TAB three very different options up to 500 points for safety. N. Koster replied he was thinking something similar and that we have bonus points for equity; maybe we provide bonus points directly related to severe and fatal incidents.

C. Hiniker stated it is important to remind TAB that a regional safety action plan is underway and even making all points safety may not move the needle; safety problems cannot be solved just through the Regional Solicitation.

E. Koutsoukos asked the committee if adding points to safety would change what projects they submit. A. Stenson replied that one of the reasons for looking at this is some of the top scoring projects for safety did not end up being funded. Carver County had a project a couple solicitations ago that scored highly for safety but was watered down by the outlier adjustment process.

S. Peterson replied to summarize the tasks based on committee feedback is 1) to revamp the slides in the presentation, 2) get clarification on transit from the transit working group and then bring that back to TAC in April, 3) look back at the effect of adding points for safety to previous solicitations. M. Thompson replied instead of just 200 points should we do 300 points or a sensitivity analysis to see where the changes would have different effects on the solicitation outcomes. S. Peterson replied that MTS will look at it from a data perspective.

**Tied Scores**

S. Peterson stated that one suggestion was to break ties based on safety scores and to write that methodology in the application. K. Keel replied that sounds like a good idea; we should recognize that our scores are not that precise. S. Mareck agreed with using safety points to break a tie. J. Pieper commented that the scoring committee and chair seem like the right group to determine tie breaking at the scoring final meeting.
BRT Funding Rule

S. Peterson stated that TAB was confused with the proposed change to the rule regarding BRT funding, especially new members.

C. Hiniker stated he believes the current BRT rule was first set up in 2019 for implementation in the 2020 cycle. The $32 million figure was based on providing only a certain amount for BRT so there would be funding for other project types. TAB suggested the rule should be revisited due to increased funding. Recommendations for a minimum number of non-BRT projects funded were presented to TAB but they were not satisfied with that approach. The transit working group will discuss; it may be simplest to just increase that $32 million figure. The transit working group will put out two or three options for TAB to consider, with one being we keep it the same. M. Thompson stated he also heard some confusion at TAB and some hesitancy to change the current figure based on the work put in to create it.

C. Hiniker stated what happened last cycle is two projects on a BRT line applied for funding and one was skipped resulting in the last project in another transit category funded due to the rule. E. Koutsoukos stated some transit funding ended up being transferred to another category due to the rule. M. Thompson asked staff to show how the options presented would have better funded priorities using previous solicitations as examples.

N. Koster stated that since the formula funding has increased, leaving the BRT funding limit where it is does not reflect the current funding situation. C. Hiniker replied that will likely be one of the options presented to TAB.

Federal Minimum and Maximum Awards

S. Peterson stated that since 2014 only a few maximum awards have been adjusted. Given inflation in construction costs in recent years, those maximums do not have the same purchasing power. Staff were asked to review the maximum awards. At TAB there was some concern about funding fewer projects if maximums were increased.

K. Keel asked if there is a sense of what proportion of projects are up near the maximum or minimum award amounts within the various categories. S. Peterson responded that some funding categories, like traffic management technologies and spot mobility and safety typically request an amount equal to the 80 percent federal funding share while other categories like strategic capacity and roadway reconstruction and modernization funding maximums do not approach the 80 percent federal funding share limit and reconstruction projects have gotten increasingly expensive. Many of the planned arterial bus rapid transit lines are more expensive to implement than those recently implemented.

M. Thompson suggested running an inflationary factor for each category to see how much it changes the thresholds.

A. Stenson asked to confirm that pedestrian facilities category maximum is not being proposed to go back down to $1 million. M. Thompson confirmed that the maximum is staying at $2 million.

C. Hiniker said that some projects are scoped to fit within the maximum, so be cautious looking at the applications as agencies will scope projects to match the available funding.

N. Koster stated that the effect of inflation is felt across the categories. For example, $7 million gets maybe a half mile of urban reconstruction. He did not provide a recommendation but expects this trend to continue. He also noted that competitive bids for project sizes of $1 million like safe routes to school projects are challenging so could consider increasing that limit to $2
K. Keel said that the downside of increasing maximums is fewer funded projects and geographic equity. M. Thompson added that applicants who are under the funding line always want more projects to be funded. K. Keel questioned whether unfunded projects would happen without the Regional Solicitation funding. Many would likely accept partial funding and proceed. If the goal is to leverage as much funding as possible, perhaps the maximums stay where they are and fund more projects. M. Thompson replied that the Met Council has generally tried to fund as many projects as possible but other MPOs take a different approach, so it is a policy question.

S. Mareck agreed with K. Keel’s comments and noted in relation to the earlier conversation regarding safety, the one project category with safety in the name (spot mobility and safety) has one of the lowest funding maximums. M. Thompson replied that there was also interest in increasing the maximum for safe routes to school. E. Koutsoukos replied that the largest request for spot mobility and safety was $3.2 million, below the maximum of $3.5 million. S. Mareck replied yes that relates to C. Hiniker’s earlier comments about applicants fitting projects to the available funding. Applicants should be asked whether they would propose larger projects if the maximum was increased.

A. Stenson stated that as an applicant in these categories, Carver County proposed a project for one roundabout but wants to implement up to three roundabouts so if the funding maximum was higher, they may have pursued that.

E. Koutsoukos stated raising maximums may allow for more projects to be submitted but does not expect there to be fewer smaller projects.

J. Pieper said that in the 2022 solicitation there was an unprecedented number of awards due to additional funding availability and that is unlikely to be the case in upcoming solicitations. Increasing maximums may be a double-edged sword if we have bigger projects being funded and fewer funds there will be many fewer projects being funded. He asked if there was any feedback from applicants who returned their funds and if they indicated why (lack of local match or project development issues). C. Brown replied that most are due to project development issues such as right of way or environmental impacts but we are seeing more legislative funding year extension requests. M. Thompson asked if it is known which projects are requesting extensions. C. Brown replied the Kellogg Bridge projects in St. Paul.

M. Thompson asked if staff had enough feedback on this topic. S. Peterson replied yes and that staff would be back with a redline version next month. M. Thompson asked if we will have options by the time of the next TAC meeting. S. Peterson responded yes.

**Reports**

There were no reports.

**Adjournment**

Business completed; the meeting adjourned at 3:15 p.m.

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