



FAST Act Workshop Program Overview

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February 20, 2016

We all have a stake in **A**  **B**





Fixing America's Surface Transportation (FAST) Act Overview

1. FAST Act Funding levels
2. Surface Transportation Block Grant Program
3. NHPP, CMAQ, and Planning program overview
4. MnDOT Project Selection Audit



FAST ACT FUNDING, 2016-2020

In millions of dollars / HTF = Highway Trust Fund / GF = General Fund

Program Category	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5-Year Total	5-Year Avg
Highways (HTF and GF)	41,025	43,322 5.6%	44,215 2.1%	45,183 2.2%	46,218 2.3%	47,314 2.4%	226,252	45,250
Transit (HTF and GF)	10,695	11,789 10.2%	12,175 3.3%	12,175 0.0%	12,381 1.7%	12,592 1.7%	61,113	12,223
Highway Safety (HTF)	1,252	1,297 3.6%	1,376 6.1%	1,404 2.1%	1,428 1.7%	1,454 1.8%	6,959	1,392
Passenger Rail (GF)	1,390	1,670 20.1%	1,870 12.0%	2,046 9.4%	2,297 12.3%	2,472 7.6%	10,355	2,071
GRAND TOTAL (HTF)	50,842	53,744 5.7%	55,114 2.5%	56,111 1.8%	57,375 2.3%	58,709 2.3%	281,053	56,211
GRAND TOTAL (HTF and GF)	54,362	58,078 6.8%	59,636 2.7%	60,809 2.0%	62,324 2.5%	63,832 2.4%	304,679	60,936



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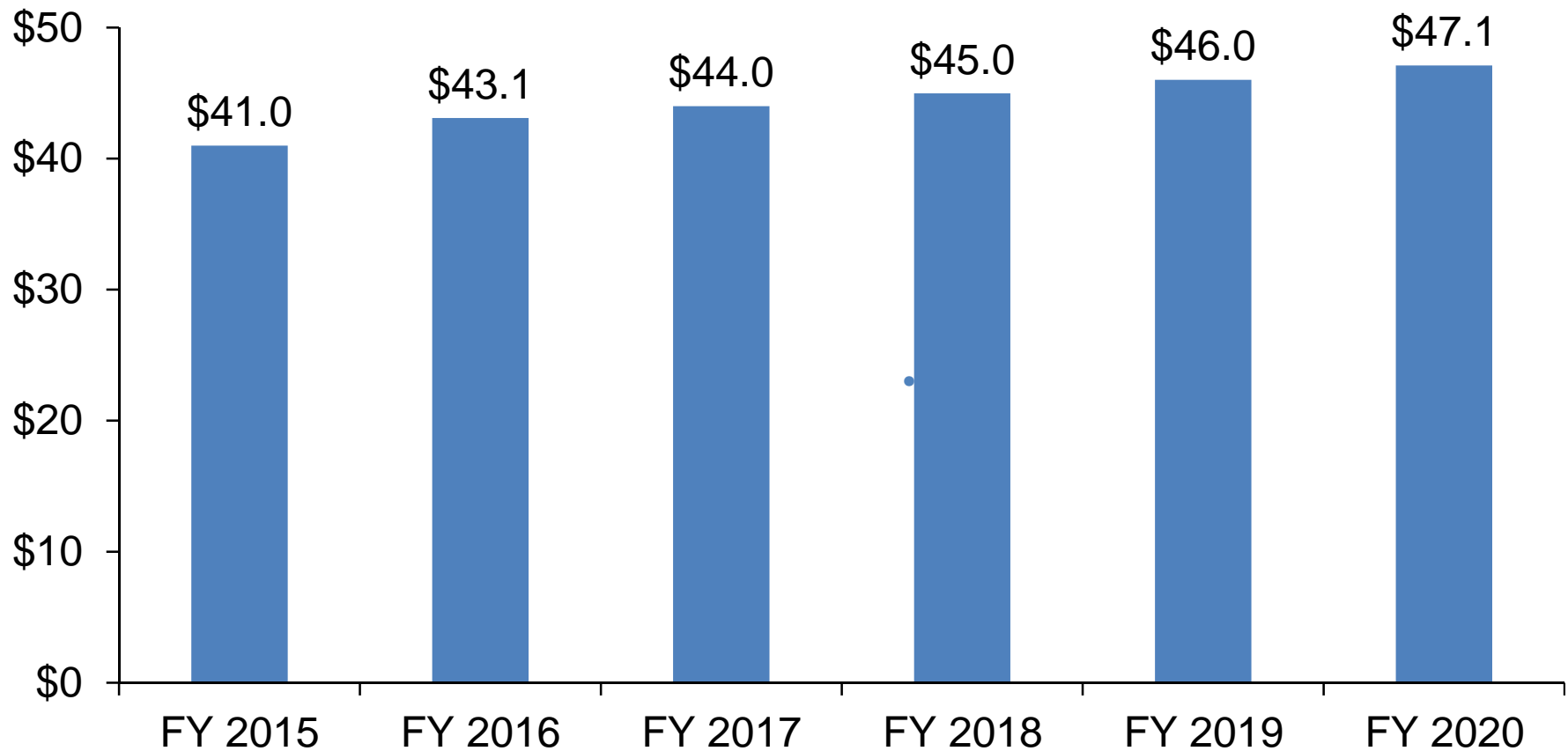


Growth Varies by Program

Program	Avg. Annual Funding (millions)	Change from FY 2015
National Highway Performance Program	\$ 23,280	+6.3%
Surface Transportation <u>Block Grant</u> Program	11,654	+15.6
<i>Transportation Alternatives Set-aside</i>	[760]	+3.3
<i>Recreational Trails Program Set-aside</i>	[84]	0.0
<i>Surface Transportation Block Grant Program (net of TA & Rec Trails)</i>	[10,809]	+7.3
Congestion Mitigation & Air Quality Improvement	2,405	+6.1
Highway Safety Improvement Program	2,317	+5.7
Railway-Highway Crossings Program	235	+6.8
Metropolitan Planning	343	+9.5
National Highway Freight Program	1,249	NEW +100.0

Highway contract authority grows each year

Highway Authorizations from Trust Fund (billions)



FAST Act Funding

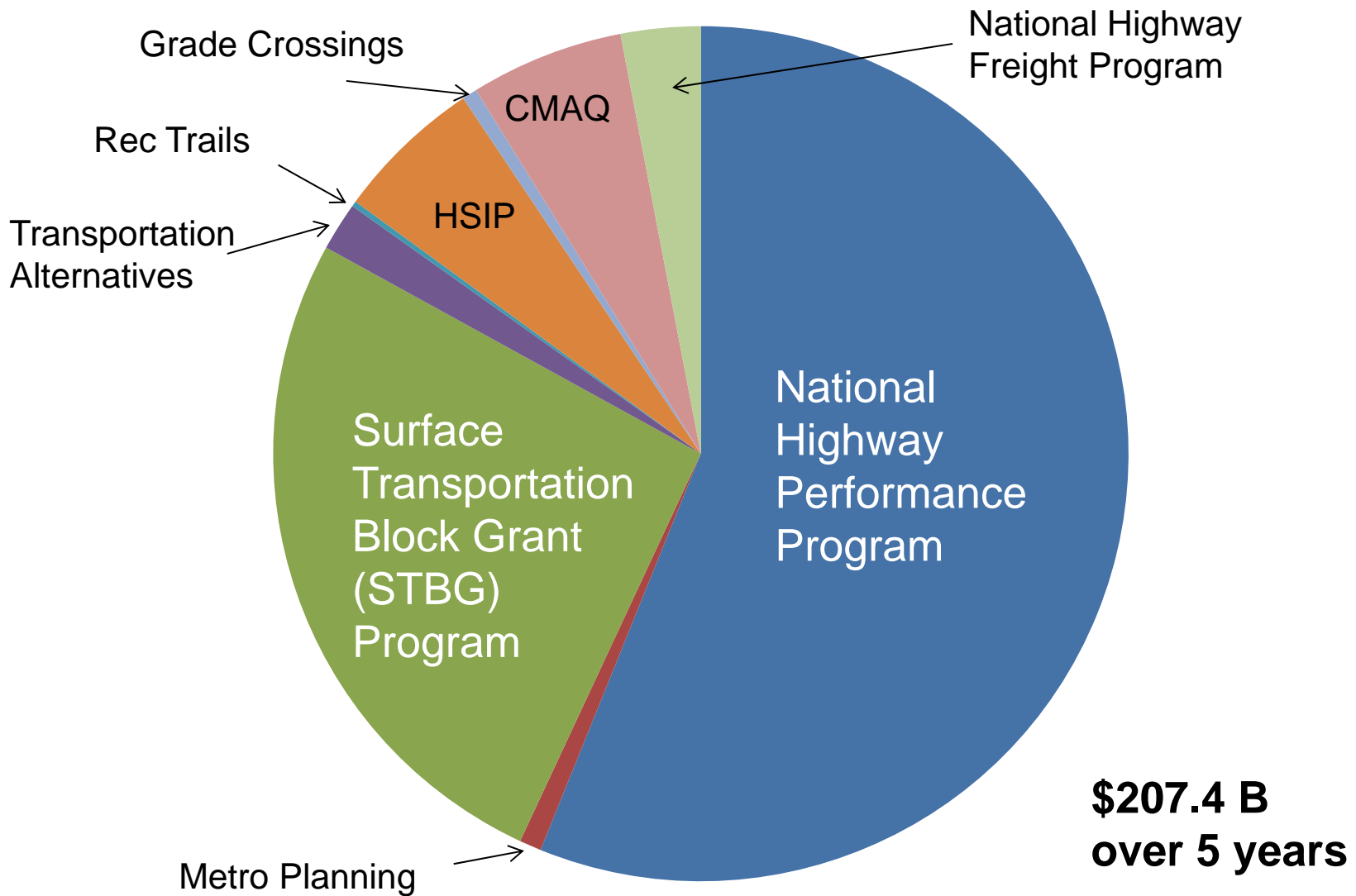
	National Highway Performance Program	Surface Transportation Block Grant	Highway Safety Improvement Program & Rail Crossings	Congestion Mitigation & Air Quality	Metropolitan Planning	National Highway Freight Program (NEW)	Total
Year	NHPP	STBG	HSIP	CMAQ	Planning	NHFP	Apportionment
2015**	\$377.6	\$173.7	\$41.5	\$32.2	\$4.4	\$0.0	\$629.4
2016	\$376.5	\$188.0	\$41.3	\$32.1	\$4.6	\$19.0	\$661.4
2017*	\$384.8	\$192.4	\$42.2	\$32.8	\$4.6	\$18.2	\$675.1
2018*	\$392.1	\$196.5	\$43.0	\$33.4	\$4.7	\$19.8	\$689.7
2019*	\$400.2	\$200.0	\$43.8	\$34.0	\$4.8	\$22.3	\$705.3
2020*	\$408.5	\$204.4	\$44.7	\$34.7	\$5.0	\$24.8	\$722.1

*Estimated

**FY2015 Based on FHWA Notice N4520.235 and N4510-788



92% of Highway Funds Are Apportioned



FAST Act Funding

	National Highway Performance Program	Surface Transportation Block Grant	Highway Safety Improvement Program & Rail Crossings	Congestion Mitigation & Air Quality	Metropolitan Planning	National Highway Freight Program (NEW)	Total
Year	NHPP	STBG	HSIP	CMAQ	Planning	NHFP	Obligation
2015	\$342.1	\$157.3	\$37.6	\$29.2	\$4.0	\$0.0	\$570.2
2016	\$342.7	\$171.1	\$38.6	\$30.0	\$4.6	\$17.7	\$604.6
2017*	\$348.9	\$174.4	\$39.3	\$30.5	\$4.6	\$16.9	\$614.7
2018*	\$355.6	\$178.2	\$40.0	\$31.1	\$4.7	\$18.5	\$628.1
2019*	\$362.9	\$181.4	\$40.8	\$31.7	\$4.8	\$20.8	\$642.3
2020*	\$370.4	\$185.3	\$41.6	\$32.3	\$5.0	\$23.1	\$657.7

*Estimated

**FY2015 Based on FHWA Notice N4520.235 and N4510-788



FAST Act Funding

Based on the November 2015 Forecast	State Fiscal Year (FY)				
	shown in millions				
	2016	2017	2018	2019	2020
Estimated FAST Act Obligation	\$604.6	\$614.7	\$628.1	\$642.3	\$657.7
Estimated Local Share	\$156.1	\$159.0	\$163.8	\$168.1	\$173.1
Estimated MnDOT Share*	\$448.5	\$455.7	\$464.3	\$474.1	\$484.6
<i>Nov 2015 Forecast for MnDOT</i>	<i>\$419.3</i>	<i>\$419.3</i>	<i>\$438.5</i>	<i>\$438.5</i>	<i>\$447.6</i>
<i>*Includes Estimated Nat'l Hwy Freight Program funding</i>	<i>\$17.7</i>	<i>\$16.9</i>	<i>\$18.5</i>	<i>\$20.8</i>	<i>\$23.1</i>



Changes to NHPP and STP

Prgm	Changes
NHPP	<ul style="list-style-type: none"> • TIFIA costs and V2I communication equipment now eligible • Bridge resurfacing/preservation/reconstruction on <u>non-NHS</u> Federal-aid highways now eligible
STP	<ul style="list-style-type: none"> • Renamed: Surface Transportation <u>Block Grant</u> Program (STBG) • Eligibilities restated with none eliminated; new eligibilities for TIFIA costs, State P3 office, V2I communication equipment • In border States, up to 5% for infrastructure projects eligible under the SAFETEA-LU border program • More suballocation: +1%/year up to 55% (vs. 50% today) • Set-asides for Transportation Alternatives and Recreational Trails (see next slide)

Changes to TAP and CMAQ

Prgm	Changes
"TAP"	<ul style="list-style-type: none"> • Same program, but no longer called TAP; no name specified • All funds set aside from STBG (vs. from all formula programs today) • Nonprofits responsible for local transportation safety programs may be project sponsors
CMAQ	<ul style="list-style-type: none"> • V2I communication equipment eligible • Port-related equipment & vehicles eligible under PM2.5 set-aside • Exception from PM2.5 set-aside for low population density States (under certain conditions)

ANTICIPATED CHALLENGES

- FAST provides \$57.5 billion for highways and transit annually. Adjusted for inflation, this is \$16 billion short of the Highway Trust Fund's purchasing power in 1993.
- Demands on the transportation system will only continue to grow based on increases in total vehicle miles traveled, urban congestion, transit use, freight movement, and volatile weather patterns.
- Long-term, sustainable funding for transportation is yet to be achieved. Because the bill relies on \$70 billion of General Fund support, the expected annual gap between Highway Trust Fund income and spending in 2021 is expected to reach \$20 billion each year.



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Performance Measure Rules

Rule	NPRM Closed	Final Rule Expected	Notes
Safety Performance Measure (PM1)	June 2014	February 19, 2016	Sent to OMB on November 12, 2015 (90 day review)
Highway Safety Improvement Program	June 2014	January 29, 2016	Sent to OMB on August 19, 2015 (90 day review)
FHWA/FTA Metropolitan and Statewide Planning	September 2014	July 29, 2016	FHWA/FTA staff developing final rule
CMAQ Weighting Factors	October 2014	May 27, 2016	Sent to OST on November 10, 2015
Planning and Environmental Linkage (supplemental to Planning NPRM)	November 2014	See Planning NPRM Above	Combined with updated Metro/Statewide Planning
Pavement/Bridge Performance Measure (PM2)	May 2015	July 17, 2016	FHWA staff developing final rule
Asset Management Plan	May 2015	July 17, 2016	FHWA staff developing final rule
System Performance Measure (PM3)	Published Jan 29, 2016	Unknown (Q2 2018*)	Sent to OMB on August 20, 2015 (90 day review)



MnDOT Programs



Local Programs

- ▶ Local Surface Transportation Block Grant Program
(associated with population targeted STBGP
Federal funds)
- ▶ Transportation Alternatives Program (TAP).
(now a setaside in STBGP)
- ▶ Highway Safety Improvement Program (HSIP)
(local roads share based on performance)
- ▶ Congestion Mitigation and Air Quality (CMAQ)



MnDOT Programs

- ▶ Statewide Performance Program (SPP)
(associated with NHPP Federal funds)
- ▶ District Risk Management Program (DRMP)
(associated with statewide STBGP Federal funds)
- ▶ Highway Safety Improvement Program (HSIP)
(State share based on performance)
- ▶ Statewide Managed Programs



Statewide Managed Programs

- ▶ Programs managed by Specialty Offices
- ▶ Weigh Stations and Scales
- ▶ Safety Rest Areas
- ▶ Historic Properties
- ▶ ITS
- ▶ Transportation Economic Development (TED)
- ▶ Statewide ADA
- ▶ Off-System Bridges
- ▶ Rail Grade Crossing Safety Program



Surface Transportation Block Grant Program



FAST Changes to STBGP

- ▶ Higher increase for STBGP relaxes focus on the NHS.
- ▶ STBGP is required to be sub-allocated by area population with an increasing percentage from 51% in 2016 to 55% in 2020.
- ▶ The Off-System Bridge set-aside was retained.
- ▶ A new “enhancement” set-aside is created in the STBGP which will be the new home of the former “TAP” program from MAP-21.



Local STP

- ▶ A target formula is applied to the overall ATP funding target level in order to determine each ATP's target amount.
 - Currently 50% population / 50% MSAS/CSAH needs
- ▶ Each ATP then selects and programs projects up to their target amount.



MnDOT DRMP

- ▶ TPIC approves the total amount of funding available for DRMP and other programs. Funds are from the state share of the STBGP, state funds, and some of the NHPP.
- ▶ A DRMP target formula distributes STBGP and state funds to to each district.
- ▶ Districts select and program projects/set-asides for the funds based upon their own analysis of the highest risks they each face.



MnDOT DRMP

- ▶ The districts are provided investment guidance showing their “fair share” of each statewide investment goal, but are not required to spend at that level.
- ▶ The districts together must achieve the investment goals from MnSHIP, so a balancing meeting is held to ensure those goals are being met on a statewide basis.
- ▶ The Districts are responsible for managing these funds within their District program



Off-System Bridge Program

- ▶ Funds come from the statewide share of the STBGP program.
- ▶ Funding is provided to MnDOT's State Aid office.
- ▶ State aid solicits projects for the funding and selects which projects to fund.



STBGP Enhancement Set-aside

- ▶ Transportation Alternatives Program is folded into STBGP and renamed as an “STBGP Set-aside,” funded between \$835 million and \$850 million per year.
- ▶ Up to 50 percent of sub-allocated STBGP Set-aside can be transferred for broader STBGP eligibilities.
- ▶ Recreational Trails eligibility remains the same.



STBGP Enhancement set-aside

- ▶ MnDOT establishes a total program target for TAP based upon forecasted obligation levels.
- ▶ The same target formula used for local STP is applied to the total in order to determine each ATP's target level.
- ▶ A standardized solicitation process is utilized by all ATPs to solicit potential TAP projects.
- ▶ Each ATP ranks and selects projects for programming up to their respective target level.



Potential Program Issues

- ▶ The current distribution of STP funds uses a target formula with many factors in it.
- ▶ The ATP managed target alone would not currently distribute STBGP funds along the required 51% to 55% urban/rural population lines.
- ▶ It is unclear at this time how if MnDOT's expenditure of STBGP will be impacted by the split.



Potential Program Issues

- ▶ The urban/rural split is guaranteed, so changes must be made if the final distribution is not compliant.
- ▶ The sub-allocation requirement begins in FY 2016, therefore changes may impact the current fiscal year.
- ▶ Likewise, future years of the current STIP and the 2017–2020 STIP under development may need to be adjusted.



OTSM Approach Recommendation

- ▶ Discuss all STBGP issues at the Programming Update Workgroup.
- ▶ Research and analyze the new bill's sub-allocation to urban areas requirement.
- ▶ Develop potential ATP target formula change options if needed.
- ▶ Review the new enhancement set-aside.



Other Programs



National Highway Performance Program (NHPP)

- ▶ National Highway Performance Program dollars are eligible to be expended on non-NHS highway bridges that are on a Federal-aid eligible highway.



Congestion Management & Air Quality (CMAQ)

- ▶ Funding level for projects is provided to the Metropolitan Council, as they are the only area eligible to use the funding at this time.
- ▶ Met Council solicits and selects projects to be programmed with the funding.

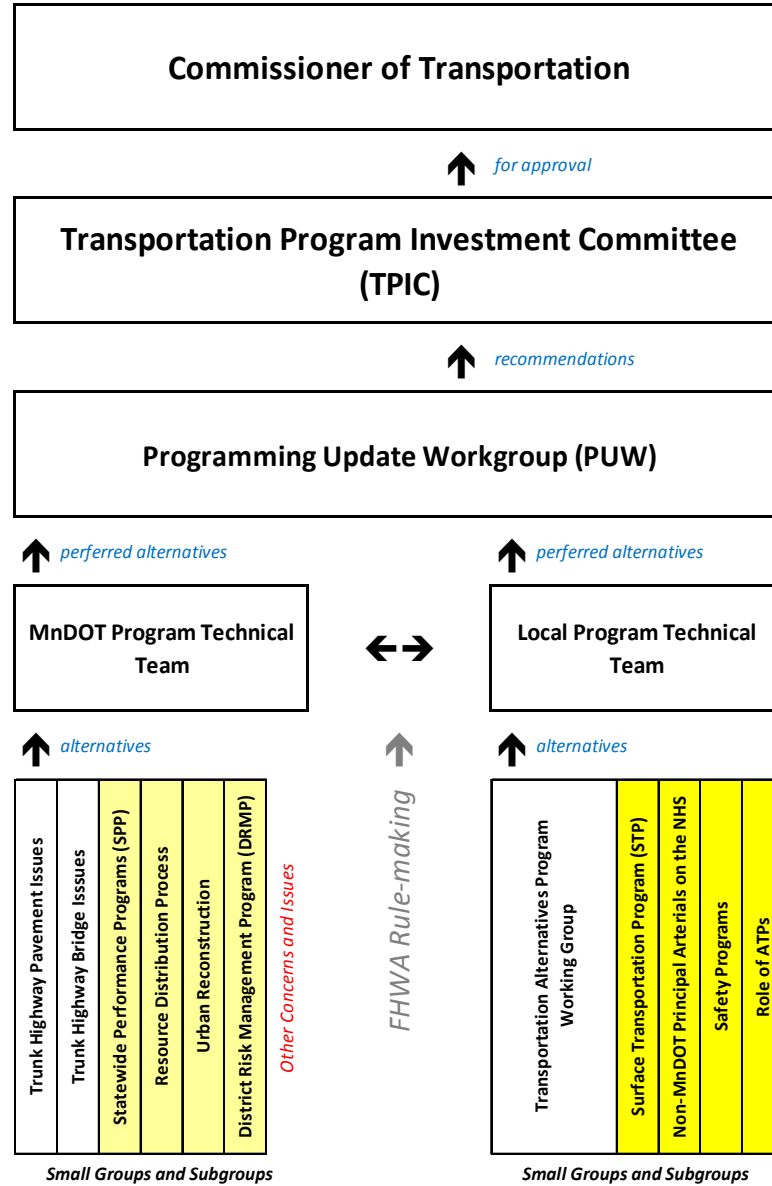


Metropolitan Planning

- ▶ The FAST Act continues the Metropolitan Planning program. The program establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas.



Programming Update Workgroup



1. How transparent is MnDOT's process for selecting highway projects? Who makes decisions and what criteria are used?
2. To what extent do MnDOT's investment priorities affect project selection? How are these priorities set?
3. How do projects selected through alternative programs created by the Legislature, such as Corridors of Commerce, compare with the projects chosen through MnDOT's usual selection process?
4. How has the state's highway system performed against established targets and benchmarks?



Questions or Comments?

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FHWA FAST Act Fact Sheet
<https://www.fhwa.dot.gov/fastact/factsheets/>

