

# Best Practices for Fiscal Constraint Compliance in Transportation Plans, STIPs and TIPs

## Webinar of February 10, 2010

### Webinar Attendee Questions

Q: For O&M how much certainty exists as to funding existing transit operations within MPOs? ie. has this been discussed/strategized -- the uncertainty is very high, I believe.

Q: Where state legislatures decide which modernization projects will be constructed on the state system, how are these states going about projecting available funding for state facilities within MPOs?

Q: How much detail is required for financial constraint for local revenues in TIPs?

Q: To address future inflation, is it necessary to show costs in future year dollars or can you show future year revenue in current year dollars?

Q: What is the likelihood that the suggestions might influence the federal regulatory process (assuming reauthorization contains no major policy changes in this area), particularly as it relates to YOEs?

Q: Does anyone use cost banding in the STIP/TIP in the final public document? If so, how do you account for fiscal constraint?

Q: how to define committed fund. it is same for fhwa and FTA?

Q: HOW you will define committed funds

Q: Regarding streamlining the TIP Amendment process, Tim mentioned the use of letter ballots as a Best Practice. The Freedom of Information Act in our state does not allow for MPO actions to be made other than in meetings that the public can attend. Is that not the case in other states?

Q: With the use of cost bands, are the projects included in the "upper end" of the band considered to be "in the plan"?

Q: Did you find that what were acceptable assumptions for future revenues varied across the country?

Q: How was fiscal constraint related to other stated transportation goals and objectives such as economic growth, safety, sustainability etc.

Q: During your scan, did you look at how Federal Lands Highway Program (FLHP) were incorporated in the TIPs and STIP? And how were those funds handled from a fiscal constraint perspective?

# Best Practices for Fiscal Constraint Compliance in Transportation Plans, STIPs and TIPs

## Webinar of February 10, 2010

Q: We had several questions on TIP / STIP amendments and having a developed / document process, however did any MPO's require a formal reconciliation process between MPO's TIP and STIPs. The TIP amendment / adjustment process is a good tool to track allocation changes, but what are MPOs and DOTs doing to reconcile between the two?

Q: Is the Chittenden County MPO really representative of non-TMA MPOs? I appreciate their work, however, they are the only MPO in their state (with the full minimum state MPO budget), and have a major research University (with the collaboration of professors and grad students) nearby. Most smaller MPOs are in neither situation.

Q: Was there any discussion of TIP amendments/administrative modifications, including best practices, balancing public outreach with timeliness, ARRA pressures, and so forth?

Q: The YOE requirement seems particularly hard to explain to non-technical stakeholders and officials, since (unlike NPV) it forces a recognition of future year inflationary effects for both costs and revenues - sort of like trying to ascertain if 25 cents is a good price for a gallon of gas 50 years ago. Was there any complaint registered about the challenges of creating meaningful comparisons of project costs and revenues for their stakeholders?

Q: Will the federal agencies also be required to provide revenue forecasts?

Q: When a project is unfunded or illustrative can we still use federal funds for corridor preservation?

Q: comment to current slide and discussion-- most eastern states are not growing. Most western states are growing and half to assume funding to support the transportation systems future needs. 2 very different situations.

Q: Are many MPOs taking a knee jerk reaction to the current economic downturn and starting a process to re-do the RTP today, rather than letting it run out the remainder of its 4 year life?

Q: What is SCAN?

A: The official name for the process in which we interviewed the states and MPOs.

Q: Since FTA apportionments are done only on an annual basis, how can future FTA projects be fiscally constrained?

Q: can't we make the TIP document and the TIP amendment/modification process more uniform nationally?

Q: Our MPO will be attempting to put together a guiding document for the MPO and our member agencies on when to do a full amendment versus an administrative amendment. Do you have advice on the best way to put that together and are there resources out there for MPOs to review?

# Best Practices for Fiscal Constraint Compliance in Transportation Plans, STIPs and TIPs

## Webinar of February 10, 2010

Q: What is the 'reasonable' threshold (%) between what project cost changes should qualify as administrative modifications vs. amendments?

Q: What is meant by "flexible" approach to YOE?

Q: What is the likelihood of influencing the next reauthorization with these recommendations?

Q: How would YOE be implemented for the first 10 years of a plan period, but NOT in the second 10 years?

Q: Did any MPOs/States mention use of "Administrative Modification" as a streamlining methodology?

Q: For those noting the FC limited their "vision," do we know if any of them utilized the allowance for "illustrative" or "aspirational" project listings in their plans/TIPs - distinct from the "constrained" list? In an era of transparency and candor of govt, we need to distinguish between "realistic" and "visionary", and use that as a springboard to close the gap.

Q: Did anyone suggest or discuss doing 10 year capital investment plans, instead of 20 year, especially since everyone tends to develop projects outside the fiscally constrained program?

Q: Since the motor vehicle fuel tax will be generating less and less revenue over the next 20 years, both the federal and state agencies will need to establish new sources of revenue (like mileage based fees, tax on other fuel sources, etc) Did any states include these new substitution sources in their revenue assumptions, and how did FHWA evaluate this in terms of reasonableness

Q: Since fiscal constraint is a criterion for conformity in the federal conformity rule, this means in some situations that states and MPOs do not have official feedback from FHWA on the fiscal constraint status of a plan or TIP until the conformity analysis is completed and submitted to US DOT for review and approval of the conformity finding. Why not have US DOT involvement earlier on fiscal constraint to avoid potential problems with fiscal constraint?

Q: If an MPO uses cost banding within an LRP does it restrict the delivery of the project to those time bands for purposes of air quality conformity?

Q: How would a performance based approach to fiscal constraint work?

Q: To my knowledge, there's nothing now that would stop States/MPOs from setting up quality controls/management systems or other processes to ensure fiscal constraint. For the most part, US DOT does not have a day to day involvement in fiscal constraint oversight. To the contrary, they usually aren't involved enough due to time/staff limits. A set of performance goals/processes would help us all. So why don't the States/MPOs start that now???

Q: Please note that new legislation is NOT needed to allow the States/MPOs to improve/streamline fiscal constraint demonstrations. They can start today.

Q: Did the team come away, in some cases, with the feeling that fiscal constraint makes transportation agencies and elected officials face the realities of lack of revenues and the reluctance to admit that to the public?

# Best Practices for Fiscal Constraint Compliance in Transportation Plans, STIPs and TIPs

## Webinar of February 10, 2010

Q: did you find States were using State \$ to advance design and right-of-way to advance a project around the fiscal constraint on federal projects?

Q: Did you find States accounting for supplementals from active projects (say change orders from active projects) in their financial constraint? For example, is a line item added to the STIP for these supplementals such that amendments aren't needed as often.

Q: Do you see the level of reporting currently being performed for ARRA projects to transfer over to the demonstration of financial constraint in the reauthorization?

Q: For a State that does not suballocate to an MPO, how are the States providing a revenue forecast? In other words, is it based on VMT or population based? Also, how are statewide priorities placed within the framework of an MPO area when the cost exceeds any amount anticipated for the MPO.

Q: How are States demonstrating that operation and maintenance of the federal aid system is acceptable? Is it based on each State's FHWA Division Office?

Q: Does FHWA have any best practices for integrating innovative financing sources and methods in TIPs/STIPs?

Q: How did most states address AC in the STIP?

Q: Are there examples of using "revenue band forecasts" in the financial forecast for the outer years of long-range plans to allow for development of a financial strategy during the plan deliberations?

Q: We've recently experienced a lot of emphasis from FHWA on non-federal (local) revenue estimating for the TIP. Did you find this to be a major issue or concern in other areas in your scan?

Q: We heard that a lot of states are concerned about the STIP turning into an accounting document, but I didn't hear any recommendations to fix that. What can be done to move us away from STIP/TIPs as accounting documents?

Q: What are CDTC, TRPC and PSRC acronyms for?

A: Capital District Transp Council (MPO for Albany, NY). Thurston Regional Planning Council (MPO in Washington state). Puget Sound Regional Council (MPO for Seattle, WA area)

Q: Does the report contain a recommendation on the issue of not using FC for fiscal accounting of TIP implementation?