Draft FY21-FY26 CMAQ & RSTP Allocations

TAC Meeting

June 9, 2020
State Guidance for Allocations

• Budget requirements:
  • Section 430
  • Funds must be obligated within 12 months of allocation
  • Funds must be expended within 36 months of obligation
  • CMAQ funds subject to reallocation for other projects
  • RSTP projects may lose state match
State Guidance for Allocations

• Other Code Requirements:
  • Code of Virginia § 33.2-214. Transportation; Six-Year Improvement Program
  • CTB adopts allocations for six-year period
  • Updated annually to reflect current cost and schedule
  • MPO allocations also six years at a time
Current Allocations - Summary

• Some front loading of funding on projects
• Funds not matched with schedules
• Large balance in later out years, smaller balance in early years
Current Allocations - Project

• Example
  • Rte 623 – Improve Intersection (105733)

• TPO Funding
  • RSTP - $5,457,959
## Current Allocations - Project

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Locality</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>RSTP Allocation FY21-FY26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rte 623 – Improve Intersection</td>
<td>Goochland</td>
<td>$328,775</td>
<td>$382,184</td>
<td>$330,000</td>
<td>$2,208,500</td>
<td>$2,208,500</td>
<td>$ -</td>
<td>$5,457,959</td>
</tr>
</tbody>
</table>

- Funds allocated in consecutive years
- Funding does not match project schedule in POOL or SYIP
Current Allocations - System

<table>
<thead>
<tr>
<th></th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Funds</td>
<td>19,699,426</td>
<td>20,075,701</td>
<td>20,458,374</td>
<td>20,847,551</td>
<td>21,243,345</td>
<td>21,645,868</td>
</tr>
<tr>
<td>Current Allocations</td>
<td>19,558,433</td>
<td>19,657,534</td>
<td>16,445,333</td>
<td>12,992,322</td>
<td>13,874,668</td>
<td>-</td>
</tr>
<tr>
<td>Available Balance</td>
<td>140,993</td>
<td>418,167</td>
<td>4,013,041</td>
<td>7,855,229</td>
<td>7,368,677</td>
<td>21,645,868</td>
</tr>
</tbody>
</table>

- Table shows current RSTP balances/allocations
- Significant funding (30%) unallocated in years 3-5
- Little leeway in years 1-2 for cost overruns or changes in projected funding
- Next phase of existing projects not well documented
Proposed Allocations - Summary

• Allocate funds by phase based on project schedule
• Track funding commitments beyond Year 6 for future phases of selected projects
• Allocate all six years with consistent balance entry
• In future cycles, focus on Year 6 for new projects
• Draws from approach of HRTPQ, FAMPO
Proposed Allocations - Project

• Example
  • Rte 623 – Improve Intersection (105733)

• TPO Funding
  • RSTP - $5,457,959
Proposed Allocations - Project

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Locality</th>
<th>Allocations FY21</th>
<th>Allocations FY22</th>
<th>Allocations FY23</th>
<th>Allocations FY24</th>
<th>Allocations FY25</th>
<th>Allocations FY26</th>
<th>RSTP Allocation FY21 - FY26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rte 623 – Improve Intersection</td>
<td>Goochland</td>
<td>$ -</td>
<td>$ -</td>
<td>$729,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$330,000</td>
<td>$</td>
</tr>
</tbody>
</table>

- Funding matched to project schedule
- Frees up funding to advance more projects concurrently
- Phases beyond Year 6 as future commitments
Proposed Allocations - Project

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Locality</th>
<th>Future Commitments</th>
<th>Total Future Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY27</td>
<td>FY28</td>
</tr>
<tr>
<td>Rte 623 – Improve Intersection</td>
<td>Goochland</td>
<td>$2,199,480</td>
<td>$2,199,480</td>
</tr>
</tbody>
</table>

- Future commitments documented per schedule
- More expensive phases split where possible
- Allows for better estimation of available funding before application cycle each fall
- Allows sponsors to know funding will be available when needed without front loading
Proposed Allocations - System

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Funds</td>
<td>19,699,426</td>
<td>20,075,701</td>
<td>20,458,374</td>
<td>20,847,551</td>
<td>21,243,345</td>
<td>21,645,868</td>
</tr>
<tr>
<td>Current Allocations and Commitments</td>
<td>18,715,000</td>
<td>19,072,000</td>
<td>19,440,000</td>
<td>19,810,000</td>
<td>20,210,000</td>
<td>20,176,000</td>
</tr>
<tr>
<td>Target Balance (5%)</td>
<td>984,971</td>
<td>1,003,786</td>
<td>1,022,919</td>
<td>1,042,378</td>
<td>1,062,168</td>
<td>1,082,294</td>
</tr>
<tr>
<td>Actual Balance</td>
<td>984,971</td>
<td>1,003,786</td>
<td>1,022,920</td>
<td>1,542,059</td>
<td>1,160,925</td>
<td>1,469,868</td>
</tr>
</tbody>
</table>

- Consistent target balance to cover shortfalls
- Year 6 allocations include future commitments
- Year 6 balance is focus for new project selection
- Previous balance for immediate, one-time needs (studies, TDM programs, etc.)
Benefits to Proposed Approach

• Funds obligated and expended on time
• Reduced risk of losing state match, rescission
• Available funding easily estimated for future years
• Documented TPO commitment for future phases
• Allocations can be largely handled in-house
• Shorter selection process
Discussion – Existing Projects

• Any concerns with approach to existing projects?
• Email additional comments on specific projects by 6/19
Discussion – New Projects

• Costs inflated 2.5% to phase start year
• Concerns with approach to new projects?
• Is TAC comfortable allocating all six years?
• Email additional comments on specific projects by 6/19
Discussion - RideFinders

• Project selection guidelines (2014) state that RideFinders should significantly reduce TPO share of operating budget by 2020

• Reduced from 80% to 70% over the past 5 years

<table>
<thead>
<tr>
<th>FY</th>
<th>RRTPPO CMAQ</th>
<th>Operating Expenses</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$510,500</td>
<td>$729,635</td>
<td>70.0%</td>
</tr>
<tr>
<td>2018</td>
<td>$510,438</td>
<td>$716,137</td>
<td>71.3%</td>
</tr>
<tr>
<td>2017</td>
<td>$503,308</td>
<td>$731,897</td>
<td>68.8%</td>
</tr>
<tr>
<td>2016</td>
<td>$503,600</td>
<td>$617,506</td>
<td>81.6%</td>
</tr>
<tr>
<td>2015</td>
<td>$500,000</td>
<td>$620,828</td>
<td>80.5%</td>
</tr>
</tbody>
</table>
Discussion - RideFinders

• Program is regularly a top scoring CMAQ candidate
• Limited alternative sources of funding
• Current allocations through FY22
• Balance sufficient to continue funding at current levels through FY24, later with some reworking
• Staff recommends continuing allocations at current levels through at least FY24