

POLICY STATEMENT

Board Policy No. 2024-03

Adopted: August 19, 2024
By: COMPASS Board of Directors
Last Revision: February 22, 2021

Policy Statement:

Balancing Surface Transportation Block Grant Program (STBG), Transportation Alternatives Program (TAP), and Carbon Reduction Program (CRP) Funds

Background:

STBG, TAP, and CRP funds are directly allocated to areas with populations over 200,000 (Transportation Management Areas [TMAs]). TMA programs are managed by COMPASS, the metropolitan planning organization (MPO) for Ada and Canyon Counties. The COMPASS Regional Transportation Advisory Committee (RTAC) is responsible for balancing the programs and recommends/approves balancing actions. If a change triggers an amendment, the balancing actions are approved by the COMPASS Board of Directors.

STBG funds for areas with populations of 50,000 to 200,000 (large urban [LU] areas) are managed by the Idaho Transportation Department (ITD). The Large Urban Balancing Committee, which is made up of the MPO directors across the State of Idaho, is responsible for balancing the program. The MPO directors provide change requests and recommend/approve balancing for the program. If a change triggers an amendment for projects in the Nampa Urban Area, the balancing actions are approved by the COMPASS Board of Directors.

CRP funds are directly allocated to each large urban area. The CRP program in the Nampa Urban Area is managed by COMPASS. RTAC is responsible for balancing the program and recommends/approves balancing actions. If a change triggers an amendment, the COMPASS Board of Directors approves the action.

TAP funds for areas with populations of up to 200,000 are managed by the Local Highway Technical Assistance Council (LHTAC) and awarded through a competitive process. COMPASS staff are involved in this process by providing local scores for projects within the COMPASS planning area boundary. These funds are outside the purview of this policy.

This policy provides guidance to prioritize funds available through cost savings, programming changes, and the End-of-Year and Redistribution Program for current-year projects.

Programming Available Funding in the Current Year and Transportation Improvement Program (TIP) Update:

As funding needs are known, sponsors submit requests to COMPASS staff to add projects to COMPASS' lists of funding needs. COMPASS maintains three lists:

- Projects funded with TMA funds, processed through RTAC
- Projects funded with CRP-LU funds, processed through RTAC

- Projects funded with STBG-LU funds, processed through the Large Urban Balancing Committee

Projects currently funded in the STBG, TAP, and CRP programs are the top priorities for funds to fully develop and build projects in the programs. Project needs in other programs may be funded with STBG, TAP, and CRP funds if projects meet program eligibility requirements and no other projects currently in these programs need funding at the time.

To be processed through balancing, all cost changes to a project must be consistent with the original project scope.

COMPASS staff recommend funding actions for both the TMA and LU programs, based on the following order of priorities for balancing:

1. Cover cost overruns/project needs in the construction phase, consistent with the original project scope, for projects in the STBG, TAP, or CRP programs to cover cost changes:
 - A. Construction that is already under contract
 - B. A higher than anticipated engineer's estimate for construction scheduled in the current fiscal year
 - C. Higher than anticipated land acquisition costs
2. Cover cost overruns/project needs for advanced construction¹ or procurement² needs in the STBG, TAP, or CRP programs to:
 - A. Remove or reduce an "advanced construction" situation
 - B. Replace local funds for procurement under contract
 - C. Cover cost increases for procurement projects
3. Cover cost overruns/project needs in other phases, consistent with the original project scope, or advance a phase on projects in the STBG, TAP, or CRP programs, including:
 - A. Right-of-Way phase
 - B. Design phase
 - C. Construction phase
 - D. Planning projects or studies
4. Cover cost overruns/project needs, consistent with the original project scope, or advance a phase on projects in non-STBG, TAP, or CPR programs, including:
 - A. Advance the construction phase
 - B. Right-of-way phase
 - C. Design phase
 - D. Planning projects or studies
5. Add new projects as prioritized by the COMPASS Board of Directors

¹ Advanced construction is a funding tool that allows a phase to be spread over multiple years. This tool may be used for any phase of the project and is called "construction" even if the costs are for the design phase.

² Procurement projects are generally transit-related, such as rolling stock or equipment purchases, as prioritized in the Transit Asset Management Plan, but can also be purchases such as bicycle/pedestrian counters.

- A. New projects should align with the goals, vision, and direction of the long-range transportation plan.
- B. Construction for new projects is typically added in preliminary development (PD). Other phases of the project (design and right-of-way) may be added in earlier years of the program if funds are available.
- C. The limit for PD in STBG-TMA is two times the projected funding allocation in the last year of the program.
- D. The limit for PD in STBG-LU is approximately \$6.2 million for the Nampa Urban Area. Projects are added in coordination with the Large Urban Balancing Committee.
 - o The construction phase may not advance into a funded year until the concept report is approved by ITD.

If there is a tie using the above prioritization criteria:

- RTAC will determine how the TMA or CRP-LU programs will be balanced, without a recommendation from COMPASS staff.
 - o Sponsor agencies are requested to prioritize project needs within their list of projects to assist RTAC in the event of a tie and/or provide the timing and importance of the needs before the RTAC meeting.
- The COMPASS Executive Director will determine how projects in the other LU programs will be prioritized for the balancing process, after discussions with sponsor agencies involved in the tie.

The rationale for these priorities is to focus funds on current construction, then design and right-of-way, to minimize the delay of scheduled projects.

Capital improvements for alternative transportation, such as bus or van replacements, are considered "construction" projects.

STBG, TAP, and CRP programs should balance as close to 100% of the estimated allocation as possible, without going over the estimated allocation.

As funds are released from projects based on cost savings or project closeout, the local match portion may be used on other projects sponsored by the same agency after requesting a Transfer Local Match Request Form. COMPASS staff will coordinate with member agency staff to submit requests.

Prioritizing End-of-Year and Redistribution Program Requests:

End-of-Year funds are funds "swept" by ITD from local projects when they are unable to obligate before deadlines: July 1 for design or right-of-way and August 1 for construction.

Redistribution funds coming to the State of Idaho from other states are allocated using ITD's formula and distributed to the appropriate programs.

End-of-Year and Redistribution Program funds are first made available to projects within each program. If there are not enough projects in the program ready for obligation, funds may become available for projects funded through other programs.

The COMPASS Board of Directors approves the priority order of requests submitted for consideration of funding through the End-of-Year and Redistribution Program, based on the rationale of "construction first." Projects must be ready for obligation and advertisement (when

appropriate), including submittal of all agreements and a deposit for local match, before August 1 of the programmed year.

Projects currently funded in the STBG, TAP, and CRP programs are the top priorities for funds to fully develop and build projects in the programs. Project needs in other programs may be funded with STBG, TAP, or CRP funds if projects meet program eligibility requirements and no other projects currently in the programs need funding at that time.

To use End-of-Year and Redistribution Program funds, all cost changes to a project must be consistent with the original project scope.

COMPASS staff recommends funding priorities for both the TMA and LU programs, based on the following order of priorities for the End-of-Year and Redistribution Program:

1. Obtain 100% of the estimated allocations³ in each program.
2. Cover cost overruns/project needs or advance a phase on projects in STBG, TAP, or CRP programs.
 - A. Construction phase in the current funding year
 - B. Any phase from a previous year, currently under contract
 - C. Advance the construction phase
 - D. Right-of-way phase
 - E. Design phase
 - F. Planning projects or studies
3. Cover cost overruns/project needs or advance project phases in non-STBG, TAP, or CRP programs.
 - A. Construction phase
 - B. Right-of-way phase
 - C. Design phase
 - D. Planning/Studies

Only public transportation projects that do not require funds to transfer to the Federal Transit Administration are eligible for this program because the deadline for a transfer is approximately June 1. The End-of-Year and Redistribution Program occurs in late August and early September.

Adjustments within a project:

Sponsoring agencies may adjust funding among funding categories within a project budget in a fiscal year if there is no net change to the funding total for the year of change.

Previous Policy:

This policy replaces policy 2021-01, approved by the COMPASS Board of Directors on February 22, 2021.

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³ Congress historically limits obligation authority to as little as 66% of the estimated allocation in the STBG and CRP programs. The TAP program is not subject to the obligation limitation and is funded at 100%.