

POLICY STATEMENT

No. Board 16-02

Adopted: June 20, 2016
By: COMPASS Board of Directors
Recommended by: RTAC, May 25, 2016
Last Revision: None

Balancing Policy for Surface Transportation Program (STP) and Transportation Alternative Program (TAP) Funds

Policy Statement:

STP and TAP funds are directly allocated to areas with populations over 200,000 (Transportation Management Areas [TMA]). The Regional Transportation Advisory Committee (RTAC) is responsible for making recommendations to balance the programs.

STP funds for areas 5,000 to 200,000 population are managed by ITD; however, the Urban Balancing Committee is responsible for balancing the program.

TAP funds for areas 5,000 to 200,000 population are managed by ITD and awarded through a competitive basis. TAP funds managed by ITD are typically not allowed to change once a project is added to the program.

This policy provides direction to prioritize funds available through cost savings and the End-of-Year Program and redistribution for current-year projects. The policy is based on the current Rule Book for MPO STP-Urban Committee Meetings and Idaho Transportation Department (ITD) Administrative Policy 5011, as well as past TMA Balancing Committee Guidelines.

Programming Available Funding in the Current Year and TIP Update:

As funding needs are known, sponsors should notify COMPASS staff to include requests on the needs list, a list of known funding needs, providing a transparent process. The STP-Urban needs list is shared with the Urban Balancing Committee and the TMA needs list is shared with RTAC for reference regarding balancing recommendations.

Priorities for balancing:

1. Cover cost overruns/project needs on construction phase on projects in STP or TAP programs consistent with original project scope

2. Remove or reduce "advance construction" situation (where construction is spread over two or more funding years) on projects in STP or TAP programs
3. Cover *cost overruns/project needs or advance design or right-of-way phases on projects in STP or TAP programs
4. Advance the construction phase on projects in STP or TAP programs
5. Cover *cost overruns/project needs or advance planning projects on projects in STP or TAP programs
6. Cover *cost overruns/project needs on construction phase on projects in non-STP or TAP programs
7. Cover *cost overruns/project needs or advance design or right-of-way phases on non-STP or TAP programs
8. Cover *cost overruns/project needs or advance on planning projects in non-STP or TAP programs
9. Add new projects prioritized by the COMPASS Board
 - 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 STP-TMA is three-times the projected funding allocation in the last year of the program
 - d. The limit for PD in STP-Urban is \$5,000,000 per metropolitan planning organization or the Local Highway Technical Assistance Council
 - i. The construction phase may not advance into a funded year until the concept report is approved by ITD

*Funds requested for a cost overrun must be consistent with the original scope of the project.

The philosophy of these priorities is to target funds towards current construction, then use funds for design or right-of-way needs in an effort to minimize the delay of scheduled projects.

Projects currently funded in the STP and TAP programs are the top priorities for funds in order to fully develop and build projects in the programs. Project needs in other programs may be funded with STP and TAP funds, if projects meet program eligibility, and if no other projects are ready to use the funds within the program at the appropriate time.

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

STP and TAP programs should balance as close to 100% of the estimated allocation as possible.

Prioritizing End-of-Year and Redistribution Requests:

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

End-of-Year funds are funds "swept" by ITD because projects were unable to obligate prior to deadlines – July 1 for design or right-of-way and August 1 for construction.

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

The COMPASS Board approves the priority order of requests submitted for consideration of funding through the End-of-Year Program and redistribution, based on ITD's philosophy of "construction first." The priorities include:

1. Obtaining 100% of the estimated allocation is the top priority
 - a. Congress historically limits obligation authority to 94%-97% of the estimated allocation
2. Cover cost overruns/project needs on projects obligated in a previous year
3. Advance the construction phase of projects
 - a. Projects must be ready for advertisement, including submittal of all agreements, and a check for local match, by August 1 of the programmed year
4. Cover cost overruns/project needs or advance design or right-of-way phases
5. Cover cost overruns/projects needs or advance on planning projects

Public transportation projects requiring funds to transfer to FTA are not eligible for this program because the deadline for a transfer is June 1. The End-of-Year Program and redistribution occur in late August and early September.

Other considerations:

1. Sponsoring agencies may adjust funding between 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.

