Proposed Transportation Funding Policy Changes

Fairfax County Department of Transportation

March 1, 2011

Background

- The current nationwide economic downturn has resulted in significant cuts in County transportation projects.

- In addition, as part of the FY 2011 Appropriation Act, the General Assembly included additional regulations in conformance with Federal guidelines, requiring that Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds be expended within 24 months and 36 months, respectively, of obligation by the Commonwealth Transportation Board.

- These circumstances will require staff to further scrutinize the ability of projects to expend funds and/or be completed within these new deadlines, while keeping projects fully funded and minimizing potential delays.

Principles

- Staff attempts to balance the complex, multi-modal transportation needs of the county, within the constraints of:

  – Multiple needs for immediate improvements

  – Fluctuation in project scheduling (accelerations and delays)

  – Balance in types of projects (road, transit, bike, pedestrian, etc.)

  – Balance in types of funding (federal, state, regional, local)

  – Availability of funding (cost overruns, surplus funds, fiscal year allocations)

  – Eligibility of projects to use certain types of funding

Principles

- Often it is desired to entirely fund a project with federal, state, or local funds.

- Doing so can create efficiencies during the planning, acquisition, review, reporting, and construction processes, just to name a few.

- Staff attempts to match the best sources of transportation funding to each project.

- To achieve this, funds must be reallocated between projects periodically to keep federal funding on federal projects, state funding on state projects, and local funding on local projects.

Current Process Steps

- Staff comes to the Board with a separate list of projects to be funded by each source of revenue, examples include the C&I funds, the CMAQ/RSTP programs, and Transportation Bond funds.

- Staff also seeks Board approval to reallocate local, regional, state and federal funding from one project to another.

- Staff returns to the Board when revenue projections change and more/less funding is available within a funding program, to seek Board approval to allocate the funding to projects that are most appropriate.

- Staff seeks Board approval to apply for newly identified funding programs, and also for permission to accept the funds if received.

Current Process Steps

- Staff also returns to the Board if a formal agreement is required to utilize a source of funding.

- Staff must also seek approval of regional bodies to reallocate regional funding, and state bodies to reallocate state and/or federal funding.

- Due to these steps, Fairfax County is not always able to quickly respond to new, small project requests due to the lack of available funds, and the complex processes involved with transferring funds between projects.

- In addition to all previously mentioned steps, staff also provides updates as part of the regular quarterly budget reviews.

Proposed Policy Recommendations

- On September 21, 2010, staff presented a transportation funding overview to the Board's Transportation Committee. This presentation included an outlook on the amount and sources of future transportation funds that may be available to the County. As part of the presentation, staff indicated that it would return to the Board with a list of recommendations for allocating available transportation funding.

- On February 1, 2011, staff presented a list of proposed recommendations that would ensure that major County projects remain fully funded, despite significant cuts in VDOT's Six-Year Plans, and make sure that federal funding for County projects is allocated in a manner consistent with established deadlines for expending these funds.

- The following list of recommendations has been updated based on feedback from the February 1, 2011 meeting.

Proposed Policy Recommendations

- Staff is proposing to compile a list of projects and updates on an annual basis, to seek the Board's endorsement of the project list, keep the Board informed on funding related issues, and obtain Board input on changes needed to the list.

- The project list would ultimately include funding allocations for the current fiscal year plus planned allocations for the next five fiscal years (six years total). Initially the first project lists will cover three to four fiscal years, building up to a total of six fiscal years consistent with the County's Capital Improvement Program (CIP) and the VDOT Six-Year Improvement Program. This will allow staff to plan project expenditures in harmony with projected revenue availability.

Proposed Policy Recommendations

- Staff is also seeking the Board's approval for staff to pursue, allocate, and utilize all available transportation funding sources, to implement the projects on the project list, as expeditiously as possible.

- With the Board's support, maintaining a single list of identified priority projects, will give staff the flexibility it needs to use all available sources of funding in the best way possible to achieve the goal of developing a balanced transportation program.

- It will also help staff to plan for future project needs and future revenue sources in the context of an overall list of priority transportation projects for the County.

Proposed Policy Recommendations

- Staff suggests providing funding for the following special categories of projects to meet the demand for new, small projects:

  – Bicycle Projects

  – Bus Stop Projects

  – Pedestrian Projects

  – Spot Projects

  – Planning, Studies and Advanced Design

- Under the special category projects, the County would be able to respond to new, small project requests more quickly. Staff proposes that projects within these categories be under $250,000, and that the Board be notified via memo whenever a new project within these categories has been identified.

Items requiring Board action under proposed policy

- Adoption of annual project list including updates, overall project allocations, and new projects.

- The addition of any new projects to the list, other than the special category projects.

- Any reallocation of funding that would cause a delay to one or more of the projects on the list.

- Approval of formal agreements needed to secure funding sources.

- Approval of proposed transportation bond referenda and associated projects to be added to the County's program.

- Authorization for new land acquisition or land rights funding.

- Authorization to aid the Federal Government and/or Commonwealth of Virginia in funding projects that would normally be their responsibility.

Items requiring Board notification under proposed policy

The actions below would require a memo to the Board from the Department Director:

- Significant changes in the scope, cost, or schedule of a project outside of the annual update. Changes in the scope and cost of the project would be handled in the following manner :

    – Actions ≤ $250,000 – Director is authorized to execute the change.

    – $250,000 - $1,000,000 – Memo from Director notifying the Board of planned action, unless otherwise directed or an objection is raised.

    – Over $1,000,000 – Formal Board consideration and approval is required.

- Reallocation of savings from completed projects to other projects on the list.

- Implementation of special category projects within established guidelines.

Items that would NOT require Board action under proposed policy

- Reallocation of funds between two or more projects where there is no negative impact to any project, but reallocation has benefits to one or more projects.

- Allocations of individual funding sources consistent with the Board's approved project list, except initial allocation of new bond referenda.

- Implementation of special category projects within established guidelines.

Discussion and Feedback

- Comments on the overall suggested process.

- Thresholds for adding new special category projects.

- Any additional Board project requests to be included in the initial list are needed by March 8, 2011.

QUESTIONS?