



MEMORANDUM

TO: TPB Steering Committee
FROM: Lyn Erickson, Plan Development and Coordination Program Director
SUBJECT: Recommended procedural change regarding the Transportation Alternatives Set Aside Program
DATE: July 12, 2019

SUMMARY

At its meeting on July 12, 2019, the TPB Steering Committee will be asked to approve a recommended procedural change, described below, that would facilitate the transfer of funds between projects that were selected by the TPB for funding under the Transportation Alternatives Set-Aside Program.

BACKGROUND ON THE PROGRAM

The Transportation Alternatives Set Aside (TA Set Aside) Program was established by federal law to fund a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, trails, safe routes to school (SRTS) projects, community improvements, and environmental mitigation. The program provides sub-allocated funding for large metropolitan planning organizations (MPOs) like the TPB (classified as “Transportation Management Areas”) to fund local projects. In addition to these funds that are sub-allocated to MPOs, a portion of TA Set Aside funding is reserved for statewide project selection, which is conducted by the state departments of transportation.

The TA Set Aside offers our region the ability to fund projects that support regional policy priorities reflected in Visualize 2045. Applicants from the National Capital Region are asked to show how their projects will serve these policy priorities when they seek TA Set Aside funds. The priorities also provide the basis for the selection criteria that the TPB’s selection panels use when they review and recommend projects for funding.

On February 20, 2013, the TPB approved Resolution R10-2013, which amended the FY 2013 Unified Planning Work Program to provide support for the implementation of the new Transportation Alternatives Program (later renamed the Transportation Alternatives Set Aside Program) as well as establishing a process for TPB project selection under the program. However, this project selection process did not include a procedure to permit the transfer of funding on an off-cycle basis between projects.

PROPOSAL OVERVIEW AND PURPOSE

In recent months, TPB staff has received several requests to authorize the transfer of TA Set Aside funds, but we have been required to reject these requests because there is no policy in place for such transfers.

Staff is now recommending the establishment of such a process for the following reasons:

- Projects face uncertainties. Some get cancelled, while others experience unforeseen cost overruns. When appropriate, the TPB's process should be nimble enough to deal with these situations.
- If a project is cancelled or if it needs additional funding, the sponsor must wait until the next application round, which occurs annually in D.C and Maryland and every two years in Virginia.
- TA Set-Aside funding is subject to federal rescission. If the funds are not obligated, they could be lost to the region.
- Along with our partners at the federal, state, and local levels, we have an interest in getting these grant dollars obligated as quickly, efficiently, and effectively as possible.

GUIDELINES FOR THE NEW PROCESS

The new process for transferring TA Set-Aside funding will feature the following guidelines:

- The TPB Steering Committee will be empowered to approve transfers as described below;
- Under this new process, funding may only be transferred from projects that were previously approved by the TPB to projects that were previously approved by the TPB;
- Funding for such transfers may come from projects that were cancelled, came in under budget, have become dormant, and/or may come from previous program allocations to the TPB that were not fully awarded to projects;
- Projects that are ready to move to construction will receive preference for transferred funding;
- Transfers can only occur between projects within the same state, however, there will be no requirement or expectation that transferred funding must remain within the same locality;
- Transfers will be derived from funding that has already been awarded by the TPB and transfers will be not taken from anticipated future-year funding;
- Transfer requests will be initiated by state DOT staff, and after TPB staff have reviewed and agreed upon such requests, they will be presented to the Steering Committee for approval.

APPROVAL PROCESS

TPB staff presented a draft version of this proposal to the State Technical Working Group on July 9, 2019. Staff subsequently revised the draft, based upon comments received. TPB staff will present a resolution and a memo containing this proposal to the Steering Committee for its approval on July 12, 2019.

In addition to approving this change in process, staff will ask the Steering Committee to approve the transfer of TA Set-Aside funds that have been requested by VDOT.

NATIONAL CAPITAL REGION TRANSPORTATION PLANNING BOARD
777 North Capitol Street, N.E.
Washington, D.C. 20002

**RESOLUTION TO APPROVE A SUPPLEMENTAL PROCEDURE
TO PERMIT THE OFF-CYCLE TRANSFER OF FUNDS BETWEEN PROJECTS FUNDED
UNDER THE TRANSPORTATION ALTERNATIVES SET ASIDE PROGRAM**

WHEREAS, the National Capital Region Transportation Planning Board (TPB), the metropolitan planning organization (MPO) for the Washington Region, has the responsibility under the provisions of the Fixing American's Surface Transportation Act (FAST Act) for developing and carrying out a continuing, cooperative and comprehensive transportation planning process for the Metropolitan Area; and

WHEREAS, the FAST Act's Transportation Alternatives Set-Aside (TA Set Aside) Program, which is part of the Surface Transportation Block Grant Program of the Federal Highway Administration (FHWA), provides a portion of funding based on the relative share of the total State population sub-allocated to large urbanized areas, and the MPO is required "to develop a competitive process to allow eligible entities to submit projects for funding ... in consultation with the relevant State"; and

WHEREAS, the TA Set Aside Program provides funding for transportation programs and projects defined as eligible per Section 1109 of the FAST Act; and

WHEREAS, the District of Columbia Department of Transportation (DDOT), the Maryland Department of Transportation (MDOT), and the Virginia Department of Transportation (VDOT) are responsible for determining the total federal funding amount allocated to the TPB, determining project eligibility, project implementation, and project oversight; and

WHEREAS, the TA Set Aside Program provides an opportunity to select and fund projects that implement regional policies reflected in the Regional Transportation Priorities Plan and in the seven initiatives endorsed by the TPB in December 2017 and January 2018, which include promoting Regional Activity Centers, improving pedestrian and bicycle access to transit, and completing the National Capital Trail; and

WHEREAS, the TA Set Aside is a complementary component of the TPB's Transportation Land-Use Connections (TLC) Program, which supports planning-related projects and events of TPB member jurisdictions; and

WHEREAS, on February 20, 2013, the TPB approved Resolution R10-2013, which amended the FY 2013 Unified Planning Work Program to provide support for the implementation of the new Transportation Alternatives Program (later renamed the Transportation Alternatives Set Aside Program) as well as to establish a process for TPB project selection under the program; and

WHEREAS, the TPB selection process does not include a policy for off-cycle funding approval for TA Set-Aside funds, which would be beneficial in certain situations such as if a project is cancelled or if it needs additional funding, because without such a policy the sponsor must wait until the next application round, which occurs annually in D.C and Maryland and every two years in Virginia; and

WHEREAS, projects face uncertainties, some get cancelled, others experience unforeseen cost overruns, and TA Set-Aside funding is subject to periodic federal rescissions; and

WHEREAS, the TPB, along with its partners at the federal, state, and local levels, has an interest in ensuring that grant dollars are obligated as quickly, efficiently, and effectively as possible; and

WHEREAS, TPB staff worked with DDOT, MDOT and VDOT to develop such a policy.

NOW, THEREFORE, BE IT RESOLVED THAT the Steering Committee of the National Capital Region Transportation Planning Board approves a supplemental policy, as described on the attached memorandum, to permit off-cycle transfers of funding between project projects previously funded by the TPB under the Transportation Alternatives Set Aside Program, and will feature the following guidelines:

- The TPB Steering Committee will be empowered to approve transfers as described below;
- Under this new process, funding may only be transferred from projects that were previously approved by the TPB to projects that were previously approved by the TPB;
- Funding for such transfers may come from projects that were cancelled, came in under budget, have become dormant, and/or may come from previous program allocations to the TPB that were not fully awarded to projects;
- Projects that are ready to move to construction will receive preference for transferred funding;
- Transfers can only occur between projects within the same state, however, there will be no requirement or expectation that transferred funding must remain within the same locality;
- Transfers will be derived from funding that has already been awarded by the TPB and transfers will be not taken from anticipated future-year funding;
- Transfer requests will be initiated by state DOT staff, and after TPB staff have reviewed and agreed upon such requests, they will be presented to the Steering Committee for approval.

**NATIONAL CAPITAL REGION TRANSPORTATION PLANNING BOARD
777 North Capitol Street, N.E.
Washington, D.C. 20002**

**RESOLUTION TO APPROVE THE TRANSFER OF FUNDS
FROM THE FEDERAL TRANSPORTATION ALTERNATIVES SET ASIDE PROGRAM
BETWEEN PROJECTS IN VIRGINIA**

WHEREAS, the National Capital Region Transportation Planning Board (TPB), the metropolitan planning organization (MPO) for the Washington Region, has the responsibility under the provisions of the Fixing American's Surface Transportation Act (FAST Act) for developing and carrying out a continuing, cooperative and comprehensive transportation planning process for the Metropolitan Area; and

WHEREAS, the FAST Act's Transportation Alternatives Set-Aside (TA Set Aside) Program, which is part of the Surface Transportation Block Grant Program of the Federal Highway Administration (FHWA), provides a portion of funding based on the relative share of the total State population sub-allocated to large urbanized areas, and the MPO is required "to develop a competitive process to allow eligible entities to submit projects for funding ... in consultation with the relevant State"; and

WHEREAS, the TA Set Aside Program provides funding for transportation programs and projects defined as eligible per Section 1109 of the FAST Act; and

WHEREAS, the District of Columbia Department of Transportation (DDOT), the Maryland Department of Transportation (MDOT), and the Virginia Department of Transportation (VDOT) are responsible for determining the total federal funding amount allocated to the TPB, determining project eligibility, project implementation, and project oversight; and

WHEREAS, the TA Set Aside Program provides an opportunity to fund projects that implement regional policies reflected in the Regional Transportation Priorities Plan and in the seven initiatives endorsed by the TPB in December 2017 and January 2018, which include promoting Regional Activity Centers, improving pedestrian and bicycle access to transit, and completing the National Capital Trail; and

WHEREAS, the TA Set Aside is a complementary component of the TPB's Transportation Land-Use Connections (TLC) Program, which supports planning-related projects and events of TPB member jurisdictions; and

WHEREAS, on April 18, 2018, the TPB approved Resolution R20-2018, which awarded federal funding for a package of TA Set-Aside projects in Virginia, including \$1,527,484 of federal TA Set Aside funding for the Colchester Road Sidewalk project and \$148,000 for the Sudley Road Sidewalk project; and

WHEREAS, on March 18, 2019, Prince William County, the sponsor the Colchester Road and Sudley Road projects sent a letter to the Virginia Department of Transportation (VDOT) announcing that the two projects would be cancelled; and

WHEREAS, the cancellation of these two projects created a surplus of \$1,675,484 in the account of funds sub-allocated to the TPB for Virginia; and

WHEREAS, VDOT has been advised that its unobligated federal funds are subject to rescission on September 30, 2019, including unobligated TA Set Aside funding; and

WHEREAS, on April 20, 2016, the TPB approved Resolution R13-2016, which awarded funding for a package of TA Set Aside projects, including \$231,926 for the Dumfries Road Sidewalk Project; and

WHEREAS, VDOT has determined the Dumfries Road project is in need of \$556,434 in further federal funding in order to advertise for construction, and in addition, VDOT has determined that Prince William County, the sponsor of this project, would be able to obligate such funding prior to September 30, 2019, and

WHEREAS, VDOT has requested that \$556,434, be transferred from the TPB TA Set-Aside surplus to the Dumfries Road project; and

WHEREAS, on July 12, 2019, the TPB approved Resolution SR1-2020 which established a policy for off-cycle fund transfers of TA Set-Aside funding between previously approved TPB projects, and the transfer requested by VDOT is consistent with that policy.

NOW, THEREFORE, BE IT RESOLVED THAT the Steering Committee of the National Capital Region Transportation Planning Board approves the transfer of \$556,434 in federal TA Set Aside funds as described in the attached material.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

4975 Alliance Drive
Fairfax, Virginia 22030

Stephen C. Brich, P.E.
Commissioner

July 11, 2019

The Honorable Martin Nohe, Chair
National Capital Region Transportation Planning Board
Metropolitan Washington Council of Governments
777 North Capitol Street, N.E., Suite 300
Washington, DC 20002-4201

RE: Request to transfer Transportation Alternatives (TA) funding between approved projects

Dear Chairman Nohe:

Due to possible FHWA Rescission of TA funding in accordance with FAST Act legislation, the Department is taking action to accelerate project delivery where feasible in order to obligate as much TA set aside funding as possible by the September 10, 2019 deadline. Attached is a letter sent to localities regarding the rescission for your review.

Recently Prince William County cancelled two TA Set Aside funded projects: UPC 113636 (Sudley Road Sidewalk) and UPC 113608 (Colchester Rd Sidewalk). There is \$1,675,484 of federal TA Set Aside funding available from the cancelled projects in the NOVA TA Balance Entry Account (T4974).

As a strategy to obligate the available balance entry funds by the September deadline, we request Transportation Planning Board concurrence for the following "Out of Cycle" transfer:

- UPC 109602 Dumfries Road Sidewalk (Prince William County) - TA Set Aside project with original MPO allocation of \$231,926. Request to transfer from T4974 (Nova TA Balance Entry) **\$556,434** of TA Set Aside funds to the Dumfries Road Sidewalk UPC 109602. This project is advancing to advertisement in August 2019.

We will continue to look for opportunities to obligate any remaining TA Set Aside funds remaining in the NOVA Balance Entry Account.

We request consideration of this request at the July 12, 2019 Steering Committee meeting. VDOT's representative will attend the meeting to answer questions. Thank you for your consideration of this transfer.

Sincerely,

A handwritten signature in blue ink that reads "Helen Cuervo". The signature is written in a cursive style.

Helen Cuervo, P.E.
District Administrator
Northern Virginia District, VDOT

Cc: Ms. Rene'e Hamilton, VDOT-NoVA
Ms. Jan Vaughn, VDOT NoVA
Ms. Maria Sinner, P.E., VDOT-NoVA
Mr. Norman Whitaker, AICP, VDOT-NoVA




COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND VIRGINIA 23219 2000

Stephen Brich
Commissioner

MEMORANDUM

To: County Administrators/City and Town Managers
From: Stephen C. Brich, P.E. Commissioner 
Subject: FAST Act Rescission
Date: November 6, 2018

As a current recipient of either Transportation Enhancement (TE) or Transportation Alternatives (TA) funding, we want to make you aware of federal legislation that may impact the funding in these programs. The current federal highway authorization, Fixing America's Surface Transportation Act (FAST Act), contains language providing for a nationwide rescission of \$7.569 billion of unobligated contract authority. Based on the language, this rescission will result in a reduction of federal funding not yet obligated to a phase of work (Preliminary Engineering, Right of Way, or Construction). However, be assured that we are working on several strategies to mitigate the impacts to our active projects.

The following provides additional information regarding the rescission.

A rescission is a legislative action that cancels the availability of contract authority (apportionment) that has not been obligated to a contract or project in the Federal Highway Administration's (FHWA) financial system. In other words, the rescission will impact funding available for project phases that have not started, and will reduce the amount of federal funding supporting projects in funding categories subject to the rescission. The FAST Act specifies that rescission amounts will be calculated based on these unobligated balances as of September 30, 2019, and the rescission will be applied on July 1, 2020. In addition, the FAST Act prescribes the calculation of the rescission amount applicable to each state, as well as the manner in which the rescission will be applied; therefore, no flexibility is provided to the Commonwealth to determine how the rescission will be applied.

MEMORANDUM TO: County Administrators/City and Town Managers

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While the exact impact is unknown, the amount of the rescission required by the FAST Act is significant and likely to cause reductions in funding in certain programs with large unobligated balances. In particular, the TA program has been identified as high risk for experiencing significant impacts.

The best way to reduce the impact of the rescission is to maximize obligation of federal funds, and there are several things that you and your staff can do to help us plan for and work to minimize this rescission:

- **Ensure that your projects have accurate and updated estimates;**
- **Ensure that your projects have realistic schedules that comply with Departmental Policies for project delivery;**
- **Work to advance phases that are already fully funded; and**
- **Deliver your projects as scheduled.**

Our ability to plan for and to mitigate the impact of this rescission relies greatly on the information contained within our project management information systems. Accordingly, we need your assistance to ensure that our project schedules and estimates are up-to-date and accurate and are asking that you provide any necessary updates to your VDOT contact by December 5, 2018. Your VDOT contact will reach out to discuss project schedules and estimates to support meeting this deadline.

If you have any questions, please feel free to contact Russ Dudley, Assistant Division Administrator for the Local Assistance Division at 804-786-6663.