Federal Transportation Program History
ATP-7

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In the Beginning...

• The very first federal transportation act was in 1893 and created the Office of Road Inquiry.

• It was part of the Department of Agriculture and its sole focus was to promote rural road development for farm to market product delivery.
The Early Years

• Early federal road involvement after the 1893 Act focused on one singular objective – Defense of the Country.

• The benchmark for this focus was the Transportation Act of 1956, which ushered in the Interstate System.

• The Interstate System was built for defensive reasons and was modelled after the autobahn built by Germany before World War II.

• The Federal government agreed to pay for 90% of construction costs.
Federal Highway Act of 1962

• 1962 represents the first time the federal government allocates funding to the states, instead of project-by-project.

• The Federal System is divided into a three tier functional classification system consisting of:
  • Interstate Highways
  • Federal Aid Primary Highways
  • Federal Aid Secondary Highways (FAS)
Federal Highway Act of 1962

• Funding was divided into specific programs for each of the three functional systems.

• This act is the first time funding is made available for non-state highway roads that a state felt needed to be part of the federal system and functionally classified them as either FAP or FAS.

• The act was essentially renewed in-kind in 1968, with the exception of the broadening of the Federal Aid Secondary program to include the designation of some roadways in the larger urban (MPO areas) as federally eligible. The expansion was referred to as Federal Aid Urban (FAU).
The federal program remained relatively unchanged from 1968 until 1982.

The goal of the program remained for strategic defensive purposes, although it was becoming clearer that the economic interests of investing federally in transportation were beginning to overtake the strategic reasons for doing so.

Counties and large cities in Minnesota begin to receive their own federal funding distribution from the FAS and FAU pots of funding.
Initially President Reagan proposed to turn back essentially all of the federal transportation program to the States.

His goal was to defederalize the transportation system.

His proposal was not accepted and eventually the passed act increased funding for the federal program by increasing the gas tax by a nickel.
Surface Transportation Assistance Act of 1982

- The federal program continued on from 1982 to 1991 with essentially no changes.

- However, President Reagan’s desire to reduce the federal role in the transportation system would play a role in 1991.
Era of the TEAs

• Intermodal Surface Transportation and Efficiency Act - ISTEA.

• Transportation Equity Act for the 21st Century - TEA-21.

• Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users - SAFETEA-LU.
The Original ISTEA
The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) represents the most significant and dynamic changes to the federal surface transportation program since 1958.

ISTEA will be considered a “revolutionary act” because there are several major policy and program changes contained with the law.

The law will signal the end of the interstate building era and the start of the system management era.
Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)

Major Program Changes:

1. FAS, FAU, and a couple of other programs were eliminated and their eligible activities rolled together into a new single program called the Surface Transportation Program.

2. The Transportation Enhancement Program is started for non-traditional transportation investments.

3. State’s are required to do specific planning activities to receive federal funding (i.e. develop a STIP).

4. Public and stakeholder input into the planning and programming decision making process is required before projects are to be selected.

5. Coordination with metropolitan planning organizations (MPOs) is required.

6. FHWA funding can be transferred over to FTA for the purposes of purchasing transit vehicles and equipment. Likewise, FTA funding can be transferred to FHWA
Minnesota’s Response to ISTEA

- MnDOT concluded it needed to change its planning and programming processes in order to meet ISTEA.
- ISTEA required involvement of several sets of interested stakeholders.
- MnDOT held the North Star Workshop as a launching point for moving forward with implementing ISTEA.

North Star Workshop Participants
1. County officials (both engineers and commissioners)
2. City officials (engineers, administrators, & mayors)
3. RDCs (staff and elected officials)
4. MPOs (staff and elected officials)
5. MnDOT District Engineers & Staff
6. MnDOT Office Directors & Staff
7. MnDOT Leadership
North Star Workshop Conclusions:

1. There was a need to have local influence in the transportation investment process in Minnesota because:
   - It allowed for integration of local/regional factors & concerns into the project prioritization process.
   - It provided better opportunity to prioritize and coordinate projects with multiple benefits.
   - It improved the selection of priority projects perceived as providing the most benefit.
   - It was necessary to achieve the spirit of the ISTEA law for public and stakeholder involvement in project prioritization/selection, as well as their involvement in the overall transportation planning process.
North Star Workshop Conclusions:

2. A sub-state geographic emphasis area consistent with the planning & programming role of the transportation districts would work best for achieving local stakeholder involvement and influence.
After the North Star Workshops, work started on creating the Area Transportation Partnerships in Minnesota.

ATPs were drafted using the district state-aid boundaries, which are based upon county lines.

After the initial draft, counties who were in one district state aid area, but whose RDC was mostly in another, had the option of choosing which ATP they preferred to align with.
Rise of the Area Transportation Partnerships

• Initial ATP Minimum Membership was to be;
  • MnDOT District Engineer
  • Executive Director/Chair of any MPOs
  • Executive Director/Chair of any RDCs

• ATPs were given freedom to establish their own membership criteria (above the initial minimum level) and their own operating rules and procedures.
A committee made up of MnDOT, RDC, MPO, and county/city staff recommended a funding distribution formula to MnDOT’s Leadership to distribute federal funds to each ATP. It was approved.

Each ATP was provided a single target level of Federal Funds that they used to program with projects from both MnDOT and the locals.
Original Roles of the ATP:

1. Review, publicly vet, and prioritize federal funding for the differing transportation needs for each partnership area.

2. Develop and recommend a four year list of prioritized projects for investment of the federal highway funds for their area.

3. Review and recommend approval of any requested amendments or modifications to that 4-year program.

4. Ensure cooperation, coordination, and consultation by the various transportation interests in the area regarding federally funded projects.
Statewide Guidance to ATPs

• How ATPs prioritized the funding was up to each individual ATP, however they needed to consider non-traditional transportation enhancement projects in addition to traditional highway and bridge projects (this was expanded to include transit projects in later years).

• Each ATP was free to determine how much of the federal funding would be split between local (county & city) highways and MnDOT.
  
  • ISTEA did away with FAS and FAU programs, so there was no longer guaranteed federal funding for local highways on the federal system.
  
  • MnDOT did not direct how much of the federal funding should go to MnDOT district projects verses how much should go to local projects.

• ATPs were encouraged to make investments that produced a seamless transportation system for the movement of people and goods.
State and Local Federal Funding Splits
Last 6-years of the TEAs

<table>
<thead>
<tr>
<th>STIP</th>
<th>New Year Being Programmed</th>
<th>State %</th>
<th>Local %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2011</td>
<td>2011</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>2009-2012</td>
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<tr>
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<tr>
<td>2012-2015</td>
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<tr>
<td>2013-2016</td>
<td>2016</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Average 2011 to 2016</strong></td>
<td></td>
<td><strong>68%</strong></td>
<td><strong>32%</strong></td>
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State and Local Federal Funding Splits
Last 6-years of the TEAs

• The ATPs varied significantly in how much funding went to the locals.

• ATP 6 & 7 were on the low end with the locals receiving less than 20%.

• ATP 8 & Metro were on the high end with the locals receiving greater than 30%.
### ATP-7 Splits
Last 6-years of the TEAs

<table>
<thead>
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<th>STIP</th>
<th>New Year Being Programmed</th>
<th>State %</th>
<th>Local %</th>
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<tbody>
<tr>
<td>2008-2011</td>
<td>2011</td>
<td>83%</td>
<td>17%</td>
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<tr>
<td>2009-2012</td>
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TEA-21 & SAFETEA-LU

TEA-21
Moving Americans into the 21st Century

SAFETEA-LU
Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users
Both acts made minor policy and programmatic changes to the original ISTEA bill.

None of these changes had the level of impact on the federal program in Minnesota as much as the original ISTEA act.

Both acts continued to expand upon the earmarking of projects.
Moving Ahead for Progress in the 21st Century (MAP-21)
MAP-21

• Adopted in June of 2012, it represented the most significant changes to federal program since ISTEA.

• It focused the federal program towards system performance measurement and performance management.

• It established the potential for fiscal penalties if a state does meet certain performance target levels for pavement and bridge on the NHS system.
The Highway Safety Improvement Program (HSIP) is altered to focus on data driven investments and meeting safety performance outcomes.

- A new requirement is added for HSIP projects to flow from a safety plan.

- Some of the previous flexible usages of the program is lost in exchange for more targeted safety investment.

- Like NHS pavement and bridge, HSIP also has fiscal penalties for not meeting performance.
• The Transportation Enhancement Program (*a very popular ATP administered program*) was consolidated with several other small stand-alone programs into the Transportation Alternative Program or TAP.
MAP-21

- STP’s subcategory of “population” gets more emphasis than the other subcategory of “flexible”.
  - Previously, MnDOT moved funding back and forth between the subcategories to account for the different project investment decisions of the ATPs.
  - MAP-21 essentially removed much of that flexibility.
Because of MAP-21’s changes, MnDOT determined the following changes needed to be made to the ATP Process:

1. How federal funding was distributed needed to be more aligned with each federal program, instead of one all inclusive target (NHPP bridge, NHPP pavement, STP, HSIP, & et).

2. MnDOT’s share of the Federal funds for road and bridge needed to be distributed separately from the local’s share in order to ensure that MnDOT was maximizing its effort to meet performance targets and to ensure the need for funding was fairly assessed across all the districts.
3. MnDOT’s portion of the federal funds is distributed directly to the districts and the local portion of federal funds is given to the ATP’s.

4. HSIP funding is also divided into a MnDOT portion and local portion based upon data in the statewide safety plan (a new requirement of MAP-21).

5. HSIP funding is still targeted to each MnDOT district and ATP, however the selection of projects for that HSIP funding is done by a statewide committee.
Local Federal Funding Splits

• The amount of federal funding going to the locals is now driven by the distribution factors of the individual program categories.
  • MnDOT decided to use STP population subcategory as the focal point for distributing local funding to the ATPs.
  • Local roadways on the NHS system are eligible for and are receiving some NHPP Bridge and Pavement funding.

• The new split in MAP-21 worked out to about 75% for MnDOT and 25% for the locals.
Fixing America’s Surface Transportation Act (FAST Act)
FAST Act

• Replaced MAP-21 in December of 2015.

• It re-enforced the performance targets and management focus of MAP-21

• A few nationwide competitive programs were added, but most of the policies of MAP-21 were left the same.
• Changes in both the STP and HSIP federal programs, have slightly increased the amount of funding being targeted to local projects.

• MnDOT is now receiving about 70% of the federal funds and local governments are receiving about 30%.

• This split is closer to the TEA averages.
## Historical Funding Split Comparison

<table>
<thead>
<tr>
<th>Act</th>
<th>MnDOT Split</th>
<th>Local Split</th>
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<tbody>
<tr>
<td>TEA Acts (last 6-years)</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>MAP-21</td>
<td>75%</td>
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<tr>
<td>FAST Act</td>
<td>70%</td>
<td>30%</td>
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Next Act

• FAST Act is set to expire in September of 2020.

• Congress has already started working on drafting proposals for the next Transportation Act.

• More to come in 2020...
Questions?

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