



# Planning Provisions

MAP-21 Review

September 17, 2012

*Your Destination...Our Priority*

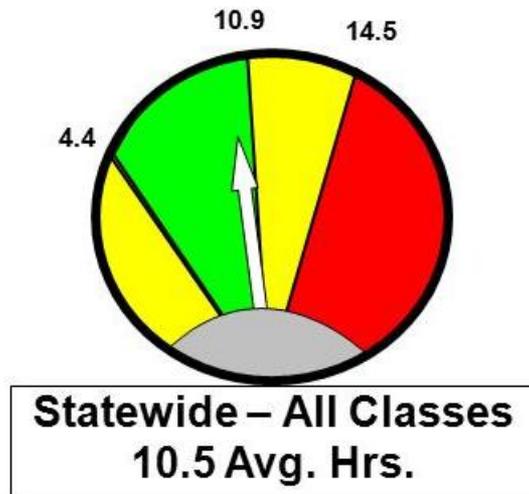


# Outline

- ▶ MnDOT's current practice
- ▶ MAP-21 requirements
- ▶ Policy Questions



# Performance Management History



- ▶ MnDOT began developing performance management tools in the 1990s
- ▶ Regular reports to Commissioner's Staff began in 2000s
- ▶ First performance-based statewide plan in 2003
- ▶ Annual public Performance Reports since 2009



# Performance-based Planning and Programming

## Policy Plan

**Policy 1: Traveler Safety**  
Reduce the number of fatalities and serious injuries for all travel modes

**1.1 Fatalities on All Roads**  
Measure: Annual vehicle-related fatalities on all state and local roads.  
Target: Reduce fatalities to fewer than 500 in 2008 and fewer than 400 by 2010.

**Relevance/Purpose:** In 2001, MnDOT partnered with local road authorities, law enforcement, emergency leaders, and public health professionals on a shared initiative known as Toward Zero Deaths (TZD). Based on this initiative, MnDOT established the number of traffic-related fatalities as the key statewide safety performance measure. The mission of TZD is "To save Minnesota's road to zero deaths on our roads, using Education, Enforcement, Engineering, and Emergency Services."

Source: Minnesota Department of Public Safety (DPS)

Reporting Office: MnDOT Office of Traffic Safety and Technology

**Methodology:** Accident reports are required for all crashes that occur or originate on a public traffic way and that involve injury or total property damage of greater than \$1,000. State and local law enforcement professionals file reports with the Department of Public Safety Office of Driver and Vehicle Services. The Minnesota Department of Public Safety, Office of Traffic Safety, compiles this data and publishes the annual summary report Minnesota Motor Vehicle Crash Facts.

**Trends through 2008:** The annual number of fatalities on Minnesota roadways trended upward between 1995 and 2003. However, since 2003 significant progress has been made in reducing total fatalities from a high of 671, down to 452 in 2008. The following figure shows the fatality trend and target for all state and local roadways in Minnesota.

## Investment Plans

| STRATEGIC INVESTMENT PRIORITY      | 2009 to 2018      |           | PLANNING PERIOD   |           | 2009 to 2028      |            |
|------------------------------------|-------------------|-----------|-------------------|-----------|-------------------|------------|
|                                    | Need (\$)         | % of Need | Need (\$)         | % of Need | TOTAL (\$)        | % of Total |
| <b>Traveler Safety</b>             | 1,780             | 6%        | 1,360             | 4%        | 3,140             | 5%         |
| Roadway Enhancements               | 790               |           | 800               |           | 1,590             |            |
| Capacity Improvements              | 990               |           | 560               |           | 1,550             |            |
| <b>Infrastructure Preservation</b> | 7,080             | 23%       | 9,240             | 29%       | 16,320            | 26%        |
| Chapter 152 Bridge Program         | 2,420             |           | 100               |           | 2,520             |            |
| Other Bridge                       | 720               |           | 2,000             |           | 2,720             |            |
| Pavement                           | 3,600             |           | 6,480             |           | 10,080            |            |
| Other Infrastructure               | 340               |           | 660               |           | 1,000             |            |
| <b>Mobility</b>                    | 21,760            | 71%       | 20,840            | 66%       | 42,600            | 69%        |
| Interregional Corridors            | 1,740             |           | 1,840             |           | 3,580             |            |
| Greater MN Trade Centers           | 130               |           | 120               |           | 250               |            |
| Twin Cities Metro Area             | 19,890            |           | 18,880            |           | 38,770            |            |
| <b>Total Investment</b>            | <b>\$30,620 M</b> |           | <b>\$31,440 M</b> |           | <b>\$62,060 M</b> |            |

## Performance Monitoring

**Annual Minnesota Transportation Performance Report 2009**

**Minnesota 2009 Transportation Results Scorecard**

Legend: Green = On or above target, Yellow = Primary concern, Red = Serious concern, Blue = Priority Responsible, Green line = Target, Red line = Results Trend

| Measure                            | Score | Result | Target | Trend | Analysis  |
|------------------------------------|-------|--------|--------|-------|---|
| <b>Traveler Safety</b>             | 421   | 420    | 400    | ↓     | Results fell 11 of 100 points, missing 100% of 2009 target of 400. Data were across nearly 100% of state and local roads.   |
| <b>Infrastructure Preservation</b> | 37.4% | 34%    | 30%    | ↑     | Bridge Condition—On principal state roads, 37.4% of bridges were in good or better condition, up from 32.5% in 2008. The percent that were in good or better condition increased 4.9 percentage points since 2007. Level of repair and road usage on the state's principal state roads continues to rise. Roadway condition has improved since 2007, but the state's road network is still in need of repair. The state's road network is still in need of repair. The state's road network is still in need of repair. |
| <b>Maintenance</b>                 | 68.2% | 70%    | 70%    | ↓     | State and local agencies have met the 2009 target of 70% for the frequency of performing State Lane Mile (SLM) maintenance. The 2009-10 frequency of SLM maintenance was 68.2%, or 1.8 percentage points below the 2009 target.   |

Supports Minnesota GO 50-year vision. Establishes objectives & strategies to guide investment



Integrates performance planning & risk assessment to establish priorities for projected funding. Measures impact of investments on performance targets.



Regular review of performance in each policy area



# MAP-21 National Goal Areas

- Safety
- Infrastructure Condition
- Congestion Reduction
- System Reliability
- Freight Movement and Economic Vitality
- Environmental Sustainability
- Reduced Project Delivery Delays



# Highway Performance Measures

- Pavement condition on Interstate System and NHS
  - Minimum standard for Interstate pavement will be established
- Bridge condition on NHS
  - Minimum standard for NHS bridge condition in legislation
- Performance of Interstate System and NHS
  - Not defined



# Highway Performance Measures (continued)

- Serious injuries and fatalities
  - Per VMT and number
  - All public roads
- Traffic congestion
- On-road mobile source emissions
- Freight movement on Interstate System



# Transit Performance Measures

- State of good repair
  - Equipment
  - Rolling stock
  - Infrastructure
  - Facilities
- Safety performance criteria for all modes of public transportation
- Mobility of seniors and disabled
  - Performance measures for grants



# Measures, Target Setting, Reporting

- U.S.DOT will establish performance measures with input from the states, MPOs and other stakeholders
- States (and MPOs, where applicable) will set performance targets in support of the measures
- State and metropolitan plans will describe how program and project selection will help achieve the targets
- States and MPOs will report to U.S. DOT on progress toward achieving targets



# Statewide, MPO and Nonmetropolitan Planning

- Performance Based
  - FHWA defines measures for national goals.
  - States set targets and identify additional measures.
  - Subsequently MPOs identify measures and set targets.
- Statewide Plans must draw upon other federally required plans
  - Strategic Highway Safety Plans (existing)
  - Risk-Based Asset Management Plans
  - CMAQ Plan
  - Freight Plan (optional)
  - Transit Asset Management Plans
  - ITS Architecture (existing)



# Statewide, MPO and Nonmetropolitan Planning

## Risk-Based Asset Management Plan

- Each state will develop a risk-based, performance-based asset management plan
- The plan must include at least the following:
  - Summary list, including condition, of the State's National Highway System pavements and bridges
  - Asset management objectives and measures
  - Performance gap identification
  - Lifecycle cost and risk management analysis
  - Financial plan
  - Investment strategies



# Statewide, MPO and Nonmetropolitan Planning

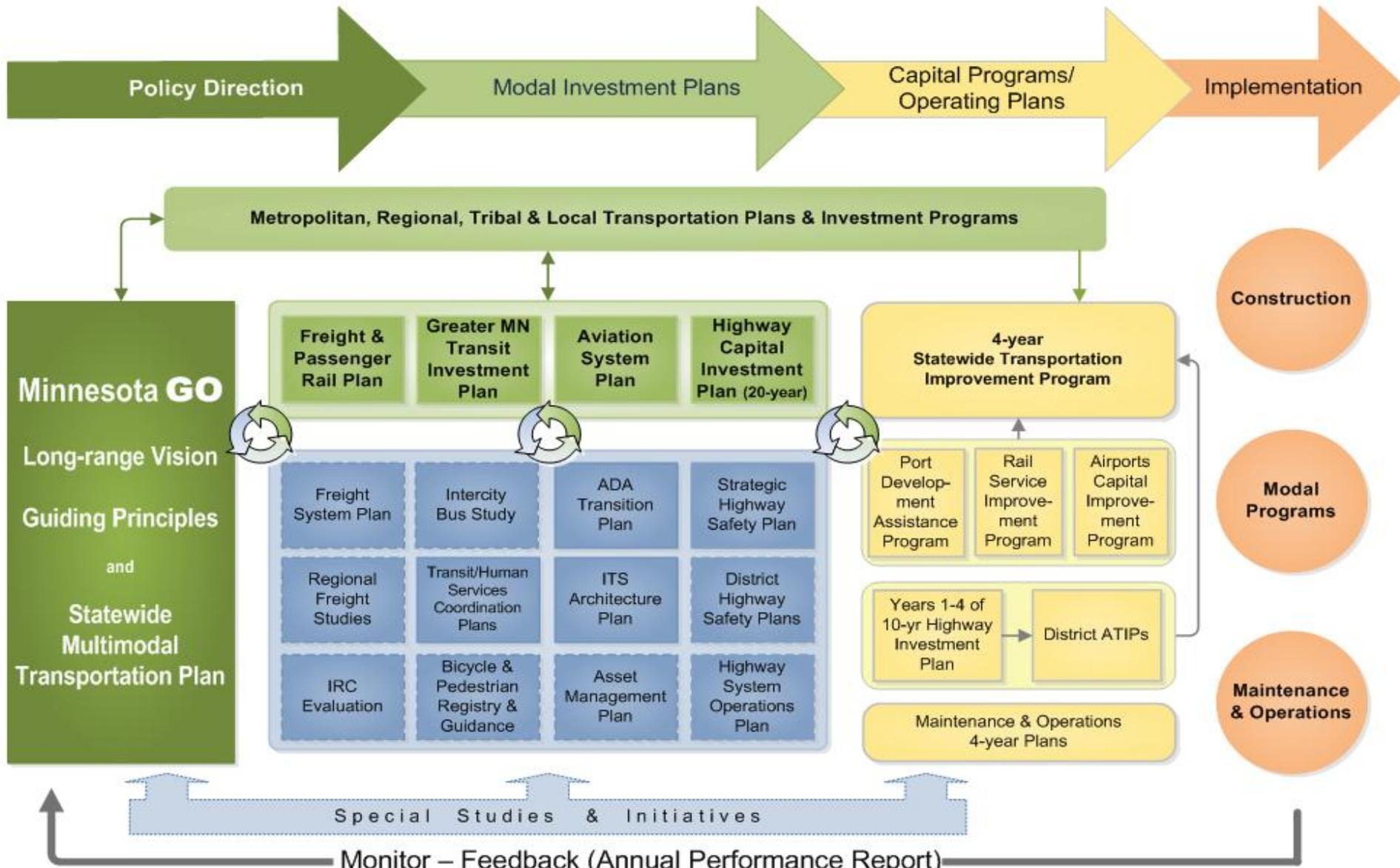
- Greater emphasis on involvement of nonmetropolitan local officials
- Regional Transportation Planning Organizations “RTPOs” (optional)



# Minnesota GO Planning Process



# Minnesota GO Family of Plans



# Linking Minnesota GO Family of Plans and MAP-21

| Minnesota GO Vision and Multimodal Plan  | MAP-21  |
|--|---|
| Develop risk based and performance based modal investment plans and asset management plans       | Develop performance based long range transportation plans and risk based asset management plans for the national highway system.    |
| Define priority networks and prioritize maintaining and operating assets on identified networks. | Redefines and prioritizes national highway system.<br>Calls for minimum standards for condition of interstate pavement and bridges. |



# Policy Questions

- ▶ What do you think Minnesota will accomplish with the new performance measures requirements?
- ▶ What are the implications of having minimum condition targets for Interstate pavements and NHS bridges?
- ▶ How should the roles in target setting be defined since both MnDOT and MPOs are to set targets?
- ▶ What are the implications of the new requirement that the statewide transportation plan include specific measures and targets?
- ▶ Do our existing Area Transportation Partnerships sufficiently incorporate the input of nonmetropolitan local officials?





# MAP-21 Freight Provisions

John Tompkins and Ericca Erhard  
Office of Freight and Commercial Operations  
MAP-21 Workshop  
September 17, 2012

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# MAP -21 Freight Perspective

- Continued and Expanded Federal-aid program eligibility for freight investment
- Designed to improve freight movement in support of national goals
- Initiated new freight provisions



# MAP – 21 No Designated Freight Program – Freight Emphasis Integrated into Core Programs

## ▶ Four Core Programs

- National Highway Performance Program
- Surface Transportation Program
- Congestion Mitigation & Air Quality Program
- Highway Safety Improvement Program

### Key areas

- National Performance Goals and Performance Measures
- Emphasis on truck parking eligibility
- Railway Highway Grade Crossing Program set-aside still \$220M



# National Performance Goals

| Area                                 | National goal   |
|--------------------------------------|---|
| Safety                               | Reduce fatalities & serious injuries on all public roads  |
| Infrastructure condition             | Maintain a state of good repair   |
| Congestion reduction                 | Significantly reduce congestion on the NHS  |
| System reliability                   | Improve the efficiency of the surface system  |
| Freight movement & economic vitality | Improve the national freight network, access of rural communities to markets & economic development |
| Environmental sustainability         | Enhance system performance while protecting and enhancing the environment                           |
| Reduced project delivery delays      | Accelerate project completion by eliminating delays in the project delivery process                 |



# Performance – establishing measures

- U.S. DOT must establish measures
  - Required consultation with States, MPOs, and other stakeholders
- Act specifies some topics measures must address
  - Safety; serious injuries & fatalities (# and per VMT)
  - Pavement & bridge condition: Interstate and remainder of NHS
  - CMAQ traffic congestion and on-road mobile source emissions
  - Freight: Interstate freight movement
- In addition to measures, USDOT must establish minimum thresholds for NHS pavement and bridge condition



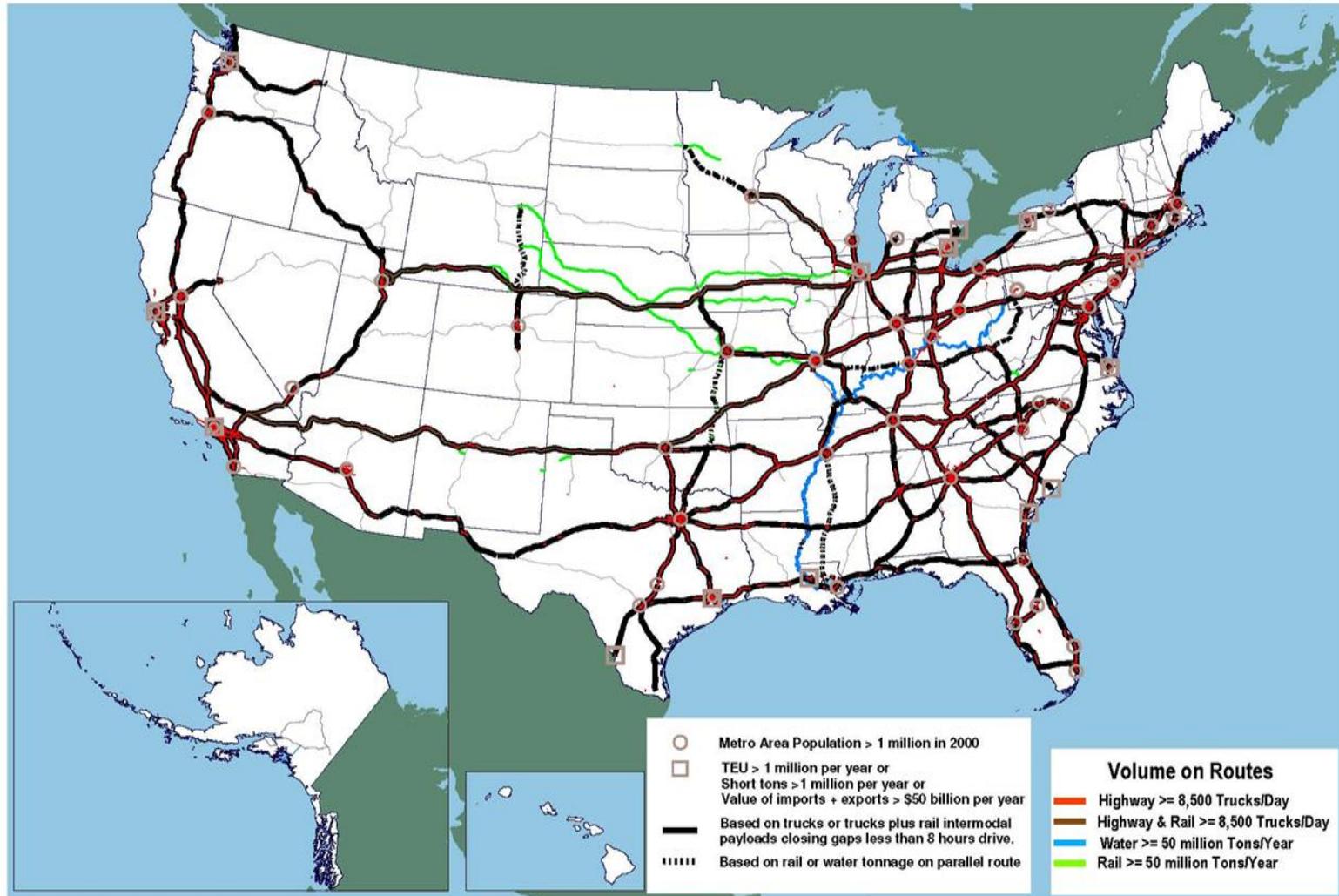
# National Freight Policy

## National Freight Strategic Plan

|  |  |                                       |
|--|--|---------------------------------------|
| Freight Conditions and Performance Report              | U.S. DOT to prepare a report on conditions and performance of the national freight network   | 2 years                               |
| Transportation Investment Data and Planning Tools      | Develop or improve tools and/or improve to support an outcome-oriented, performance-based approach to evaluate proposed freight-related and non-freight related projects | 1 year                                |
| Prioritization of Projects to Improve Freight Movement | U.S. DOT may increase the federal share for Interstate highway projects up to 95% and other transportation projects up to 90% (Section 1116)                             | Development of Freight Plan or sooner |



## Major Freight Corridors



Note: Highway & Rail is additional highway mileage with daily truck payload equivalents based on annual average daily truck traffic plus average daily intermodal service on parallel railroads. Average daily intermodal service is the annual tonnage moved by container-on-flatcar and trailer-on-flatcar service divided by 365 days per year and 16 tons per average truck payload.

Source: U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations, 2008.



# State Freight Plans & Freight Advisory Committees

- ▶ Statewide Freight Plan – 2005 Developed Minnesota's 1<sup>st</sup> Statewide freight Plan
- ▶ Freight Advisory Committee – Minnesota Freight Advisory established in 1998
- ▶ Key Issue is the development of freight projects



# Truck Size and Weight

- Truck Size and Weight Study
  - Requires FMCSA to complete a comprehensive truck size and weight study within 2 years.
  - The study to look at each State that currently allows vehicles in excess of Federal size and weight laws to operate, as well as the potential impacts of heavier and longer alternative truck configurations.



# Commercial Motor Vehicle Safety

MAP-21 requires USDOT (FMCSA/PHMSA) to perform important studies & rulemakings for future direction

- Motor Carrier Safety – reduce driver fatigue
  - Behind the wheel training
  - Electronic On – Board Recorders (EOBR)
- Driver Safety – Drug & Alcohol Testing
  - Developing a clearinghouse – if positive for drug and alcohol
  - Notification system for change in driver records



# Policy Implications

- ▶ How will the National Freight Network impact the Minnesota IRC system?
- ▶ Will MnDOT's investment strategies for roadways be impacted by National Freight Network?
- ▶ Will the Statewide Freight Plan identify projects (recommended)? What is a Freight Project?
- ▶ Truck Size and Weight harmonization
- ▶ Truck Parking at state rest areas





# Greater MN Transit Impacts of MAP-21

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# Topics

- ▶ Non-urbanized formula funding
- ▶ Elderly and disabled formula funding
- ▶ Capital programs used in Greater Minnesota
- ▶ New transit programs for asset management and safety
- ▶ Non-motorized modes



# Section 5311

## Non-Urbanized Area Formula

- ▶ Provided by FTA to MnDOT
  - Combined with state funds
  - Distributed through annual solicitation
- ▶ Two changes
  - Job Access/Reverse Commute (formerly Section 5316) now eligible
  - Planning purposes now eligible



# Section 5310

## Elderly and Disabled Formula

- ▶ Formerly provided by FTA to MnDOT
  - Distributed through an annual solicitation
- ▶ Now includes New Freedom (formerly Section 5317) program
  - Urban areas with over 200,000 population are eligible direct recipients
  - Operating assistance is eligible
  - FTA must establish performance measures



# Transit Capital Programs

- ▶ Greater MN used to be eligible for
  - Bus and Bus Facilities (Section 5309)
  - State of Good Repair (Section 5337)
- ▶ Instead:
  - Bus and Bus Facilities Formula Funding (Section 5339)
    - Distributed by formula directly to urbanized areas with Section 5307 funds
    - Distributed by lump sum to states (\$1,250,000/year)



# Section 5326

## Transit Asset Management

- ▶ All new program
- ▶ FTA must:
  - Define “state of good repair”
  - Develop performance measures
- ▶ All direct recipients and subrecipients must:
  - Develop Transit Asset Management Plans
- ▶ All direct recipients must:
  - Report on system condition
  - Set performance targets



# Section 5329

## Public Transportation Safety

- ▶ All new program
- ▶ FTA must:
  - Develop safety performance criteria
  - Develop a public transportation safety certification training program
- ▶ All direct recipients must:
  - Develop an agency safety plan
  - Certify it meets FTA requirements



# Non-Motorized Transportation

- ▶ Bicycle and Pedestrian are important modes
  - Quality of life and community health
  - Important connections to transit
    - Almost every trip includes a pedestrian segment or, increasingly, a bicycle segment
- ▶ Most non-motorized transportation funding moved from Enhancements to Transportation Alternatives in MAP-21
  - Less funding + more eligible uses = tough decisions



# Policy Questions

- ▶ Pending FTA guidance, how should the revised Elderly and Disabled (Sect 5310) program be implemented in Minnesota—statewide or separate Metro/Greater MN?
- ▶ How should Minnesota try to influence FTA guidance for the new Asset Management and Safety programs and revised Urbanized, Non-Urbanized and Elderly & Disabled programs?





# Transit Changes for the Metropolitan Area

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Deputy General Manager Metro Transit

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# Metropolitan Transit Programs

- ▶ Legislation creates new program repeals, combines, and revises existing programs
  - New programs emphasize formula funding, safety, and state of good repair (asset preservation and management)
  - FY2013 transit authorization \$10.6B compared to \$10.5B previously
  - 5309 Fixed Guideway or New Starts program has significant changes



# Transit Programs 5307

- ▶ 5307 remains as the major urbanized area transit formula funding program
  - Council estimated to receive \$54.5M annually compared to previous \$54.2M
  - Allowable Uses include transit capital and preventive maintenance
  - Job Access Reverse Commute (JARC) program repealed; JARC activities now allowable under 5307 funding; does not require solicitation



# Transit Programs 5337

## ▶ New State of Good Repair Program

- Replaces previous 5309 fixed guideway modernization formula funding
- Two categories of funding
  - High Intensity Fixed Guideway formula for rail and BRT on exclusive guideways
  - High Intensity Motorbus formula for buses that run in HOV lanes or shoulders
- Council funding estimate is \$11.3M annually



# Transit Programs 5339

- ▶ **5339 Bus and Bus Facilities Formula Funding**
  - Replaces the previous 5309 Bus and Bus Facilities discretionary award program
  - Formula program, not discretionary
  - Allocation based on population, density, revenue hours
  - Council funding estimate \$4.3M annually



# Transit Programs 5309

- ▶ **Retains existing New Starts and Small Starts and creates new category Core Capacity Improvement Projects**
  - New Starts projects defined as a new fixed-guideway capital project with a budget exceeding \$250M and federal funding exceeding \$75M
  - Small Starts projects defined as a new fixed-guideway capital project with a budget less than \$250M and federal funding less than \$75M



# Transit Programs 5309

- ▶ **New Core Capacity Improvements Projects**
  - Defined as a substantial capital investment in an existing fixed-guideway system that increases the capacity of a corridor by not less than 10 percent
  - Corridor must be at or over capacity or projected to be at or over capacity within next 5 years



# Transit Programs 5309

## ▶ BRT definition modified

- BRT New Starts projects
  - Operate in a separated right-of-way dedicated for public transportation use during peak periods
  - Include features that emulate rail services
- BRT Small Starts
  - Does not specify operation in a dedicated right-of-way
  - Defined as a corridor based project with features that emulate rail service



# Transit Programs 5309

- ▶ **Streamlines application steps to enter New Starts process**
  - Project sponsor submits a letter to FTA describing the project and requesting entry into Project Development
  - Concurrently, the project sponsor initiates activities required under the National Environmental Policy Act (NEPA)
  - FTA is required to respond in 45 days



# Transit Programs 5309

- ▶ **Streamlines application steps to enter New Starts process**
  - Project sponsor shall develop sufficient information to enable FTA to make findings of project justification
  - Within two years of FTA approval to enter Project Development, all activities necessary to obtain a project rating must be complete
  - Project sponsor subsequently applies to enter Engineering phase



# Transit Programs 5309

- ▶ **Alters cost-effectiveness criterion for project approval or advancement**
  - Six statutory criteria:
    - Mobility improvements
    - Environmental benefits
    - Congestion relief
    - Economic development effects
    - Land use policies that support public transportation
    - Cost effectiveness measured by cost per rider



# Transit Programs 5309

- ▶ **Defines a Program of Interrelated Projects (PoP) as simultaneous development of...**
  - two or more Fixed Guideway Capital Projects
  - two or more Core Capacity Improvement Projects  
or
  - one or more Fixed Guideway Capital Projects and one or more Core Capacity Improvement Projects.



# Transit Programs 5309

## ▶ PoP provisions:

- Non-federal funds committed to a project may be used as federal match for any other project within the PoP
- Federally funded project within PoP follows New Starts rating and project advancement process
- FTA evaluates and rates all projects in the PoP as one application, including non-Federally funded projects



# Transit Programs 5309

## ▶ Other Provisions

- Expands use of warrants to speed up approval process
- Retains parameters of Full Funding Grant Agreement
- Shortens the Congressional review period
- Establishes new pilot program for expedited project delivery



# Policy Questions

- ▶ Under Section 5309, New Starts, will projects approved for “Project Development” be able to apply local expenditures as eligible local match for the Full Funding Grant?
- ▶ Under Section 5309, New Starts, how will FTA define the new Cost Effectiveness evaluation criteria?





# MAP-21 Environmental Streamlining

Lynn Clarkowski  
MnDOT Environmental Stewardship Director

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# Accelerated Project Delivery

- ▶ Expanded flexibility to undertake activities prior to completion of NEPA, including acquisition of real property or Right-of-Way, and design activities at any level of detail.
- ▶ Enables the ability to enter into CM/GC contract.



# Environmental Streamlining

- ▶ Categorical Exclusions (CEs) will be established for:
  - Replacement projects due to disasters and emergencies.
  - Projects located within the operation ROW.
  - Projects with limited federal funding (<\$5M or <\$30M with less than 15% federal funding share)
  - Certain multimodal projects
- ▶ States can assume responsibilities for all CEs.
- ▶ Allows states and MPOs to develop programmatic approaches for environmental reviews and mitigation plans



# Agency Coordination and Scheduling

- ▶ Accelerated decision-making (combined FEIS and ROD)
- ▶ Emphasis on early interagency coordination and a new issue resolution process that allows for elevation
- ▶ Resource agency deadlines for review (subject to prior agreement with agencies)
- ▶ Resource agency financial penalties for failure to meet deadlines (subject to prior agreement with agencies)
- ▶ Accelerated completion of complex projects



# Most Likely to Influence Project Delivery

- ▶ Expanded flexibility to undertake activities prior to completing NEPA
- ▶ Programmatic approaches to the environmental review process
- ▶ Establishment of additional Categorical Exclusions
- ▶ For complex, controversial EISs, possible benefits from early agreements and accelerated completion



# Questions

- ▶ MAP-21 requires the US DOT to get public input for ideas for additional categorical exclusions. This is currently underway. What ideas do you have?
- ▶ MAP-21 emphasizes programmatic approaches to the environmental review process. What ideas or suggestions do you have that would help with programmatic mitigation? (Minnesota example: wetland banking program)





# TRIBAL TRANSPORTATION

Linda Aitken  
Tribal Liaison

*Your Destination...Our Priority*



# Tribal Transportation Program

- ▶ Section 1119:
  - Federal Lands and Tribal Transportation Programs
  
- ▶ Section 1123:
  - Tribal High Priority Projects Program



# Section 1119 – Main Components

- ▶ Name Change: Indian Reservation Roads (IRR) becomes Tribal Transportation Program (TTP)
- ▶ Consolidation of Programs
- ▶ New Tribal Safety Program
  - FHWA – Policy & regulations being developed
- ▶ Bridge Program
  - Included in TTP now (previous \$14 million stand alone)
  - FHWA – Policy & Regulations may be revised



# Section 1119: Main Components

## Continued

- ▶ Authorization Level: \$450 Million
- ▶ New Formula for Fund Distribution
  - At end of PPT



# Section 1119: Funding \$450 M

- ▶ Set-Asides: \$54 Million
- ▶ Tribal Transportation Programs: \$396 Million



# Section 1119 – Set-Asides: \$54 Million

## ▶ Set-Asides

- Planning – 2% (\$9 million)
- Tribal Safety – 2% (\$9 million)
- Bridge Program – (\$9 million)
- Program Management & Operations (PM&O – FHWA & BIA) – 6% (27 million)



# Section 1119 – Tribal Transportation Programs \$396 M

Distribution to Tribal Transportation Programs based on following statutory formula:

- ▶ 27% – Total Eligible mileage
  - FY 2012 Roads Inventory
- ▶ 39% – Total population in each tribe
  - NAHASDA – most recent data)
- ▶ 34% – Divided equally among 12 BIA regions
  - Formula distribution to (attempt) keep tribes at their FY 2011 funding level



# Section 1123: Tribal High Priority Projects Program

- ▶ \$30 Million
  - From the General Fund
    - Congress must appropriate annually
  - Maximum of \$1 Million per project
  - Similar language as the IRRHPP
  - For tribes that receive insufficient funding to carry out their highest priorities



# Unknown

- ▶ Funding distribution not yet released
- ▶ Per BIA Contact
  - 11 MN Tribes – FY 2013 Funding Increase
  - FY 2014 > slight increase
  - If Authorization is extended and the formula transition is completed
    - 75% of MN Tribes will receive slightly less than 2012 funding.
- ▶ TTP Inventory is essentially frozen.



# TTP – Additional Information

- ▶ The following 9 slides are from a FHWA MAP 21 webinar on the TTP
- ▶ Included:
  - Definition – Tribal Transportation Facility (3 slides)
  - Funding Formula (6 slides)



# Definitions

## ▶ Sec. 1103

### ◦ (31) Tribal Transportation Facility

- Means a public highway, road, bridge, trail, or transit system that is located on or provides access to tribal land and appears on the national tribal transportation facility inventory described in section 202(b)(1).



# National Tribal Transportation Facility Inventory (Sec. 202(b)(1)(B))

- A comprehensive national inventory of tribal transportation facilities that are eligible for assistance under the tribal transportation program. Includes facilities that:
  - were included in the Bureau of Indian Affairs system inventory prior to October 1, 2004;
  - Are owned by an Indian tribal government;
  - Are owned by the Bureau of Indian Affairs;
  - were constructed or reconstructed with funds from the Highway Account of the Transportation Trust Fund under the Indian reservation roads program since 1983;



# National Tribal Transportation Facility Inventory

- are public roads or bridges within the exterior boundary of Indian reservations, Alaska Native villages, and other recognized Indian communities (including communities in former Indian reservations in the State of Oklahoma) in which the majority of residents are American Indians or Alaska Natives; or
- are public roads within or providing access to an Indian reservation or Indian trust land or restricted Indian land that is not subject to fee title alienation without the approval of the Federal Government, or Indian or Alaska Native villages, groups, or communities in which Indians and Alaska Natives reside, whom the Secretary of the Interior has determined are eligible for services generally available to Indians under Federal laws specifically applicable to Indians; or
- are primary access routes proposed by tribal governments, including roads between villages, roads to landfills, roads to drinking water sources, roads to natural resources identified for economic development, and roads that provide access to intermodal terminals, such as airports, harbors, or boat landings.



# TTP – Funding Formula

- *After applying five\* set-asides*
  - *2% each for Planning, Bridge, and Safety*
  - *6% for PM&O*
  - *Tribal Supplemental Allocation*
- *27% in the ratio that the total eligible mileage in each tribe bears to the total eligible mileage of all American Indians and Alaska Natives.*
  - *Eligible mileage shall be computed based on the following facilities in the FY12 inventory:*
    - *Roads included in the Bureau of Indian Affairs system inventory prior to October 1, 2004*
    - *Roads owned by Indian tribal governments*
    - *Roads owned by the BIA.*



# TTP Funding Formula

- ▶ *39% in the ratio that the total population in each tribe bears to the total population of all American Indians and Alaska Natives.*
  - *Population is computed using the most recent data available under the Native American Housing Assistance and Self-Determination Act of 1996*



# TTP Funding Formula

▶ 34%

- *Initially divided equally among each of the 12 BIA Regions*
  - *Distributed to each Tribe within a region based on the Tribe's percentage of the regional total of RNDF and PAF that it received from 2005 to 2011.*



# TTP – Tribal Supplemental Funding

- *Amount made available for the TTP:*
  - *Less than or equal to \$275 million*
    - *30% of such amount*
  - *More than \$275 million*
    - *\$82.5 million plus 12.5% of amount in excess of \$275 million*
      - **For FY12 and FY13, this equals \$104,375,000**
- *Distribution (regional)*
  - *Initial – To each of the 12 BIA Regions based on proportion of regional total to national total using the new statutory formula*
  - *Then - Distributed to tribes within a region that receive less in current FY (new formula) as compared to FY11 in order to attempt to keep the Tribes at their FY11 level.*
  - *Distribution to those tribes will be in proportion to their share of the combined amount within the region*



# TTP – Tribal Supplemental Funding

- *Ceiling*
  - *For tribes that are eligible under the supplemental program, the total funds received from the Formula and Supplemental funding cannot exceed the amount that the tribe received in FY11.*
- *Remaining Funds*
  - *If tribal supplemental funding remains available in a region after all of the region’s tribes are made “whole to their FY11 funding levels”, then the excess funds will be distributed amongst all of the tribes within that region in proportion to the combined regional tribal shares received.*



# Transition

- 4 year transition with increments of 20%/year
- FY 13
  - 80% in the ratio that the amount allocated to each tribe for FY11 bears to the total amount allocated to all tribes for that fiscal year
  - 20% tribal shares based on new formula
- FY14
  - 60% old and 40% new
- FY15
  - 40% old and 60% new
- FY16 and thereafter
  - 20% old and 80% new





# ITS in MAP-21

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# ITS Eligibility

- NHHP – Capital and operating costs for traveler info, ITS Infrastructure
  - ▶ STP – Congestion pricing, toll collection, TDM
  - ▶ HSIP – Intersection safety, EVP, work zones
  - ▶ CMAQ – Incident response, traveler info
  - ▶ Freight – Truck parking info, traveler info



# ITS in Planning

- SHSP – Should include emergency comms
  - ▶ Freight Plans – Shall include innovation, ITS
  - ▶ Metro Planning – Shall contain ops & mgt
  - ▶ Statewide – Shall consider system mgt & ops



# Miscellaneous ITS

- Tolling interoperability in 4 years
  - ▶ Cannot fund automated enforcement
  - ▶ Re-start the CVISN program for commercial vehicles
  - ▶ \$62 Million Technology and Innovation Deployment Program
  - ▶ \$100 Million for USDOT ITS Research



# Policy Questions?

- ▶ How will ITS projects compete with traditional projects in a performance based plan?
- ▶ Should federal funds be used for operations of ITS systems?





# MAP-21

## Research, Technology Deployment, Training & Education Overview

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# Research & Education Funding

| Programs   | Admin. | Annual Funding |
|--|--------|----------------|
| Highway Research & Development   | FHWA   | \$ 115 M       |
| Technology & Innovation Deployment<br>SHRP-2 implementation<br>\$12M set-aside for deployment of Pavement Technology | FHWA   | 62.5M<br>TBD   |
| Training & Education   | FHWA   | 24M            |
| ITS Program  | RITA   | 100M           |
| University Transportation Centers  | RITA   | 72.5M          |
| Bureau of Transportation Statistics  | RITA   | 26M            |
| Appropriation Authority  |        | \$ 400M        |



# MAP-21 Highlights

- Funds research at \$400 M/year, slightly below SAFETEA-LU levels.
- SHRP2 to be funded as a takedown from SP&R funds
- Eliminates the following programs:
  - Surface Transportation & Environmental Cooperative Research Program (STEP)
  - International Research Program
  - National Cooperative Freight Research Program
- Bills sets aside \$12M for deployment of pavement technology



# State, Planning & Research Program

- ▶ SP&R is a 2% set-aside from NHPP, STP, CMAQ and HSIP
- ▶ MAP-21 requires that funding for SHRP2 be taken “off the top” of SP&R funds, before SP&R funds are distributed to each state
  - The percentage of SP&R funding used for SHRP2 implementation will be the same for all states.
- ▶ State DOT must expend a min. 25% of its annual SP&R funds for Research with remaining funds for planning activities.
- ▶ MAP-21 allow for the “replenishing” of SP&R funds through the use of STP for planning and research activities (23 USC 133[b]), as well as new flexibility to shift funding between other core programs.



# SHRP2 Implementation

- ▶ At least three-fourths of states (39 states) must agree on the percentage of funding for the implementation program
  - AASHTO proposed a 4% funding level of SP&R funds (approximately \$29.5 million/year) for SHRP2 Implementation
  - An e-mail ballot was sent to the Board of Directors on Sept. 10<sup>th</sup>
  - Responses were due on Sept. 14, so FHWA can distribute funds prior to next fiscal year, which starts on October 1
- ▶ About 2/3 of implementation funding will pay for product demonstrations, including delta costs, incentives, and direct technical assistance to the transportation agencies
- ▶ About 1/3 of implementation funding will be used for educational outreach, communications and marketing, IT support, support to states, evaluation, and program administration.



# SHRP2 Implementation Focus Areas

- ▶ **Renewal**– achieves renewal that is performed rapidly, causes minimum disruption, and produces long-lived facilities.
- ▶ **Reliability**– focuses on reducing congestion through incident reduction, management, response, and mitigation.
- ▶ **Capacity**– delivering better highway projects faster and reducing congestion related to highway capacity.
- ▶ **Safety** –innovative ways to plan, renew, operate and improve safety on the nation’s highways.

*Demonstration Projects will be selected through competitive process similar to Tiger Grant*



# University Transportation Center Program

- ▶ RITA will administer the program
- ▶ UTC competition during FY13
  
- **National Transportation Centers**
  - \$3M per fiscal year
  - Five recipients
  - Research focused on national transportation issues
- **Regional University Transportation Centers**
  - \$2.75M per fiscal year
  - Ten recipients; one in each of the Federal regions
  - One regional center will be established to further the field of Transportation Safety
- **Tier 1 University Transportation Centers**
  - \$1.5M per fiscal year
  - Not more than 20 recipients
  - Consideration will be given to minority-serving institutions or consortia that include these institutions.

*Universities may request supportive funding to meet match requirements*



# Policy Issues in Research

- ▶ MnDOT is supportive of funding SHRP 2 implementation
  - MnDOT will likely compete for funding in all three categories: Reliability, Capacity and Renewal
  - MnDOT is pursuing lead state status on projects that support our Strategic Vision and position us as a global leader.





# Alternative Finance under Map-21

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# TIFIA Information

- ▶ Transportation Infrastructure Finance and Innovation Act (TIFIA) and program's primary goal is to leverage limited federal resources and stimulate private capital investment by providing credit assistance to projects of national or regional significance
- ▶ The bill authorizes \$750 million of budget authority for FY 2013 and \$1 billion for FY 2014,
- ▶ Projects evaluated to the extent to which assistance would foster innovative public-private partnerships.
- ▶ MnDOT has State Laws and regulations for Public-Private Partnerships may need modification before various types of public-private partnerships make sense.
- ▶ The application process is extensive which includes:
  - Financial plan
  - Letter of interest
  - Status of environmental review, and
  - Information to make a business case for the project
- ▶ TIFIA has a flexible structure that allows the debt to be subordinate other debt, and for pay back schedules to be pushed back until the project is completed.
- ▶ Once TIFIA loans get pre-approved, MnDOT then could attract private investors to help pay for the initial project costs. Projects must make sense to the private sector and have a tolerable risk level for future revenue streams.



# TIFIA Concerns

1. TIFIA is not cash, but debt.
2. Our trunk highway bonds are competitive, but TIFIA may have an advantage for “high risk” toll or value capture finance plans
3. Project needs NEPA completed
4. Project must pay a \$50,000 application fee
5. If selected, the borrower from TIFIA will pay a sized transaction fee to cover TIFIA negotiation costs (estimated at \$300,000)
6. TIFIA projects have been located in states with large urban areas that have major transportation needs and can easily charge tolls or generate other project revenues



# Public Private Partnerships (P3)

- ▶ The federal law saw little change of significance concerning P3's.
- ▶ MnDOT is focused on the competitive TED program and associated P3 projects
- ▶ MnDOT has new Minnesota alternative financing authority for one P3 project whereby the private sector loans us money to complete a project.
- ▶ MnDOT has existing authority for other types of P3s, like for toll facility
- ▶ MAP-21 requires the secretary of DOT to develop policies and procedures to:
  - Promote public understanding of the role of private investment in public transportation projects
  - Better coordinate the public and private sectors with respect to public transportation services



# Tolling/Pricing

- ▶ Map 21 expands states' ability to utilize tolling to expand Interstate capacity – as long as number of free lanes does not decrease (not including HOV lanes or auxiliary lanes)
- ▶ Federal Value Pricing Pilot Program continues – MN is one of 15 designated VPPP states
- ▶ Impact to MN is minimal given our previous authority under the VPPP
- ▶ New provisions will provide some streamlining and flexibility in implementing the MnPASS system
- ▶ MAP-21 does require all electronic toll facilities to become interoperable by Oct. 1, 2016 – this requirement could have significant operational, administrative and cost implications for MN – further FHWA guidance on this requirement is anticipated



# Challenges for Minnesota

- ▶ Organizing P3 skillsets that oversees project procurement processes and ensures transparency
- ▶ Municipal Consent Risk for Private Investors
- ▶ Negotiation of Cost Participation with Trunk Highway Funds
- ▶ Ongoing broad enabling legislation that gives flexibility to use all tools and techniques being promoted by Federal Government
- ▶ Dedicated State Funding Match for P3 and Economic Development Projects
- ▶ Debt Service Limit Policy and Availability payment P3s
- ▶ Accounting for Value of P3 Procurements vs. Traditional
- ▶ Finding Projects where the Private Sector is interested





# Thank you for attending the MAP-21 MnDOT Review



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