

## Target Formula Re-evaluation

### **GOAL: Refine the formula used to distribute federal funds to reflect statewide transportation policies and goals.**

- The new formula aligns with Mn/DOT priorities: preservation, safety, and mobility.
  - Preservation = 60%, this is the first priority.
  - Safety = 10%, to reflect safety beyond that included in every project.
  - Mobility = 30%, to achieve reliable travel times and address congestion and growth.
- Federal funding distributed by base formula increases from \$330 m to \$345 m per year.
  - In addition to the federal funds distributed by formula:
    - ~\$47 m will be distributed to address inflation in preservation costs
  - Total of \$392 m per year distributed by formula.
- Additional funding is available for Major Bridge Preservation and Statewide Corridors.
- New formulas for federal and state funds take effect in FY 2009.

### **The 1996 Formula Didn't Address Needs**

- Formula based on system size and use, with no link to performance.
- Did not address safety or other important factors.
- Need to address extremely large projects that a single ATP may find difficult to fund.

### **The New Formula Aligns with Mn/DOT's Performance Based Goals**

- The formula is tied to measurable performance needs on the transportation system.
- Demonstrates Mn/DOT's commitment to align funding with performance based needs.
- Recognizes importance of safety initiatives such as those in SAFETEA-LU, the Comprehensive Highway Safety Plan, and Toward Zero Deaths.
- The formula is consistent with the performance-based planning that has been incorporated into the State and District Plans.
- The formula has incorporated the latest available data.
- Achieving Mn/DOT's performance based targets in the next twenty years would require an additional \$1 billion per year. The formula distributes existing funding to Mn/DOT's priority performance needs.

	Total Federal Funding Distribution (in Million \$)								
	ATP 1	ATP 2	ATP 3	ATP 4	ATP 6	ATP 7	ATP 8	METRO	TOTAL
<b>Current Formula FY 2002-2008</b>	\$31.6	\$18.4	\$37.7	\$21.8	\$32.5	\$24.7	\$19.9	\$143.3	<b>\$330</b>
<b>New Formula Beginning FY 2009</b>	\$41.9	\$23.3	\$40.0	\$24.9	\$45.2	\$25.7	\$22.1	\$169.2	<b>\$392</b>

### Use of Formula for State Trunk Highway Construction Funds Distribution

- Used to distribute \$275 m in state trunk highway funding.
- Additional funding of \$9 m provided to hold all Districts harmless.
- Uses only state trunk highway data.
- Eliminates transit factor used in the federal formula because transit is not eligible for state TH funds.

	<b>Total State Trunk Highway Construction Fund Distribution (in Million \$)</b> <i>New Formula Includes adjustment to Hold ATPs Harmless</i>								
	<b>ATP 1</b>	<b>ATP 2</b>	<b>ATP 3</b>	<b>ATP 4</b>	<b>ATP 6</b>	<b>ATP 7</b>	<b>ATP 8</b>	<b>METRO</b>	<b>TOTAL</b>
<b>Current Formula FY 2002-2008</b>	\$26.3	\$15.3	\$31.4	\$18.2	\$27.1	\$20.6	\$16.6	\$119.4	<b>\$275</b>
<b>New Formula Beginning FY 2009</b>	\$27.8	\$16.0	\$31.4	\$18.2	\$30.9	\$20.6	\$16.6	\$122.2	<b>\$284</b>

### Statewide Bridge Preservation Fund

- Eligible bridges are those with costs greater than 50% of an ATP's Federal target funds.
- 100% funding for state and local bridges, ATP responsible for approaches.
- \$40 m annually for ten years (FY 2009 – FY 2018).
- Programmed based on Bridge Office and District "must replace" date.

### Statewide Corridor Fund

- 50% funding match for very expensive mobility and safety projects on IRCs and the Metro freeway system.
- Funding level is determined after 1) formula distribution to ATPs and 2) Statewide Bridge Preservation Funds.
- Local share of project is eligible for funding.
- Competitive selection process.
- Project solicitation for FY 2009 through FY 2012 underway.

### The Formula Is the Result of a Thorough Process

- Developed by a Technical Work Team with 19 members representing cities, counties, Metropolitan Planning Organizations, each Mn/DOT District, and several Mn/DOT offices.
- The Work Team met 15 times over a 16-month period.
- All ATPs were afforded opportunities to provide formal input at three points in the process.
- Numerous meetings were held with other stakeholder groups and organizations.
- After considering scores of factors and scenarios, the Work Team recommended five scenarios to Mn/DOT's Transportation Program Committee (TPC).
- The TPC recommended this performance-based scenario and Lt. Gov./Commissioner Molnau concurred.