

Federal Highway Administration Update for GAMPO

11/30/2010

FHWA Topics

1. Fiscal Constraint
2. The Use of Planning Information in the Environmental Process
3. Document Availability

Fiscal Constraint

- Overview
- Revenues
- Costs
- Operations and Maintenance
- Documentation

Overview

- 1991 ISTEA created fiscal constraint
- TEA-21 & SAFETEA-LU tweaked it
- Planning Rule published February 14, 2007
- FHWA Guidance April 17, 2009
 - <http://www.fhwa.dot.gov/planning/guidfinconstr.htm>
- Summary Page (included as handout)

Overview

- **What do we mean by Fiscal Constraint?**
 - *The metropolitan transportation plan, TIP, and STIP includes sufficient financial information for demonstrating that projects ... can be implemented using committed, available, or reasonably available revenue sources, with reasonable assurance that the federally supported transportation system is being adequately operated and maintained.” (23 CFR 450.104)*
- ***Balancing available funding (revenues) with spending (costs)**
- **When does it apply?**
 - Applies to MTP/RTP, TIP/STIP
 - *Does not apply to long range state wide plan*

Overview

For the TIP/STIP, Financial constraint shall be:

- Demonstrated and maintained by year;
- Include sufficient financial information to demonstrate which projects are to be implemented using current and/or reasonably available revenues... while federally supported facilities are being adequately operated and maintained.

- 23 CFR 450.216 and 450.324

Overarching Issues/Common Themes

- **Predicting the Future**
 - Uncertainty in many fund sources
 - Reauthorization unknowns
 - Cost increases/escalation
 - Innovative Financing
- **Documentation**
 - Critical, critical, critical
 - Sufficient for both revenues and costs?
 - Sources, assumptions and methodology
- **Year of Expenditure (YOE)**
 - Applies to costs (inflation) and revenues (growth)
 - Escalation rates may differ
- **Fiscal constraint “feedback loop”**

Revenues

- **AVAILABLE**
 - Federal – Authorized and/or Appropriated
 - State – Dedicated and/or Historically Used
- **COMMITTED**
 - Dedicated (trust fund) or Obligated (by legislation)
 - Governor controls (S/TIP approval)
 - Private funds in writing
 - FTA Grant Agreement
- **PUBLIC PRIVATE PARTNERSHIPS**
 - Any arrangements where the private sector takes on more risk than under the traditional program
- **INNOVATIVE FINANCING**
 - Debt mechanisms that leverage future funding streams, rather than providing a straight grant.

Revenues

REASONABLY EXPECTED TO BE AVAILBALE

- Federal Funds
 - Actual authorizations - extrapolation
- State Funds
 - Dedicated/Historically Used
- New Funds
 - Strategy for obtaining
 - Political support

Costs

- **Documentation**
 - Adequate?
 - Often much more information on revenues
 - Project Size
- **Role of MPO in Cost Estimation**
 - Coordination with Sponsors
 - Getting proper documentation on time
 - Quality control
 - Cost Estimation Support for Local Jurisdictions
- **Cost Management Process**
 - Are costs updated? When? By Whom?
 - Communication with the Public
- **Using Innovative Financing Strategies**
 - Accounting for Debt Repayment as a Cost

Operations and Maintenance

- The financial plan shall contain system-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain the Federal-aid highways and public transportation.
 - Systems level view
 - What is “adequate”?
 - Need to ensure both highway and transit focus
- Significant and growing O&M
- Non-motorized facilities?

Documentation

- Clear documentation of assumptions and data sources for *each* revenue source (federal, state, local, other).
 - Documentation provided for each source?
 - Documentation: Narrative or table format
 - Includes information on:
 - Funding Program/Financing Technique (description)
 - Base Year
 - Data Source
 - Growth Rate
 - Assumption Base

Training

- NTI Course: *Financial Planning in Transportation*
- NHI Course: *Addressing Uncertainty in Cost Estimation*
- NHI Course: *Risk Management//Executive Seminar*
- RC Webinar/Seminars

Next Steps

- March 30, 2011 Training in Macon
- Fiscal Constraint Task Force –
MPO/GDOT/FHWA/FTA Group to develop uniform GA methodology for demonstrating fiscal constraint

FHWA Planning Contacts

- Andrew Edwards, 404-562-3659, andrew.edwards@dot.gov
- Carlos Gonzalez, 404-562-3690, carlos.a.gonzalez@dot.gov
- Ann-Marie Day, 404-562-3639, ann-marie.day@dot.gov
- Cornelius Davis, 404-562-3913, cornelius.davis@dot.gov

The Use of Planning Information in the Environmental Process

Kelly Wade

Environmental Specialist

FHWA, GA

Topics

- Project Development
- Environmental Approvals
- Potential for inconsistencies
- Nonattainment Areas

Project Development

- Project description
- Purpose and need
- Logical Termini
- Public Involvement
- Schedule (programming/long range planning)

Environmental Approvals

- Is the entire project described in the environmental document included in the appropriate TIP/STIP?
- Is there consistency between planning documents and Environmental documents?
- Comparison of open year in NEPA document to the open year in the planning document.

Potential for Inconsistencies

- Purpose and need
- Traffic analysis
- Air
- Noise
- Concept Report

Nonattainment Areas

- Development of the air quality technical report
- PM 2.5 coordination (PM 2.5 Nonattainment areas)/Hot-spot analysis
- Project level conformity determination

Document Availability

MPO Documents

- Should be available online – MPO Participation Plan - “Making public information (technical information and meeting notices) available in electronically accessible formats and means, such as the World Wide Web.”
- Document change actions (amendments and admin mods) should be available online.
- Whatever products the MPO has developed to satisfy federal planning requirements should be available online.
- Gainesville
- FHWA GA Division will establish a date by which this must occur and convey to GDOT and MPOs.
- Working with GDOT on Statewide planning product availability.

Questions?

