

# Federal Transportation Update

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**Joint Transportation Committee**  
**July 18, 2012**

# June Forecast

- Baseline
  - 20% reduction assumed in FFY 2013+
  - Starting in FFY 2014, year over year growth rate mirroring fuel consumption
- Alternative
  - Full funding for FFY 2013+
  - Starting in FFY 2014, year over year growth rate mirroring fuel consumption
- Typically, the June forecast is used for budget development

# “Early” September Forecast

- Level of funding (FFY 2013 and 2014)
- How funds will be split in budget proposal
  - Consolidated programs
  - Assuming 66/34 percent split
- Other assumptions:
  - Recreation Trails
  - Section 164 Penalty for Repeat Offenders
  - Ferry Boat Program

# Performance Requirements

- MAP 21 establishes national goals in seven areas: Safety; Infrastructure Condition; Congestion Reduction; System Reliability; Freight Movement and Economic Vitality; Environmental Sustainability; Reduced Project Delivery Delays.
- USDOT is responsible for establishing performance measures, in consultation with the States, MPOs, transit agencies, and stakeholders for NHPP, Highway Safety, CMAQ, and freight movement.
- USDOT will establish minimum condition levels for the interstate and bridges.
- Penalties if a state fails to comply.

# Building the Highway Construction Program

- Programming federal funds
  - Federal program developed biennially, adjusted annually, if necessary
  - Program at the obligation authority level
  - Considerations made when applying funds
    - Eligibility
    - Most restrictive programs used first
    - Oldest apportionment
    - Match requirements

# COAX

- Convert OA to Expenditures
- Appropriation Authority versus forecasted Obligation Authority
- Estimated outlay rate applied to forecasted Obligation Authority level
  - Outlay rates developed using ten-years of expenditure history by federal fund type
- Individual projects programmed to fit within estimated expenditure levels

# COAX Report

- Work in progress and GARVEE are “fixed” costs
- Identifies amount available for new starts
- Does not assume transfers
- Provides estimated appropriation levels

Formula Programs	11 - 13	13 - 15	15 - 17	Total		11 - 13	13 - 15	15 - 17
<b>Bridge Replacement</b>	<b>192,179,894</b>	<b>223,618,696</b>	<b>232,576,908</b>	<b>648,375,498</b>				
Work in Progress	97,703,508	135,725,608	79,615,247	313,044,363				
Adjustment <sup>2</sup>	-19,540,702	60,000,000	60,000,000	100,459,298	11RDYDEK	47,148,044	77,735,224	60,056,247
New Starts	114,017,087	27,893,088	92,961,661	234,871,837		66,869,044	-49,842,136	32,905,415
<b>Interstate Maintenance</b>	<b>126,448,514</b>	<b>169,836,576</b>	<b>179,447,760</b>	<b>475,732,850</b>				
Work in Progress	97,395,234	13,481,092	0	110,876,326				
Adjustment <sup>2</sup>	-19,479,047	0	0	-19,479,047	11RDYDEK	63,084,288	113,139,214	7,941,036
New Starts	48,532,327	156,355,484	179,447,760	384,335,572		-14,551,961	43,216,270	171,506,724
<b>National Highway System</b>	<b>168,437,370</b>	<b>190,928,372</b>	<b>199,886,126</b>	<b>549,251,868</b>				
Work in Progress	168,026,487	57,987,038	16,258,586	242,272,110				
Adjustment <sup>2</sup>	-33,805,297	100,000,000	100,000,000	166,394,703	11RDYDEK	43,226,108	47,581,686	14,004,234
New Starts	24,016,181	32,941,335	83,627,540	140,585,055		-19,209,927	-14,640,351	69,623,306
<b>Surface Transportation Program</b>	<b>52,589,409</b>	<b>59,961,176</b>	<b>62,781,220</b>	<b>175,331,805</b>				
Work in Progress	81,394,527	18,880,102	2,062,661	102,337,289				
Adjustment <sup>2</sup>	-16,278,905	40,000,000	40,000,000	63,721,095	11RDYDEK	13,942,323	21,561	0
New Starts	-12,526,212	1,081,074	20,718,559	9,273,421		-26,468,535	1,059,513	20,718,559
<b>TOTAL New Starts</b>	<b>174,039,383</b>	<b>218,270,982</b>	<b>376,755,521</b>	<b>769,065,885</b>		167,400,763	238,477,685	82,001,517
						6,638,620	-20,206,704	294,754,004

  

Bridge Replacement	June 10 Forecast	Year of Ob 24.6%	Ob year +1 45.2%	Ob Year +2 20.3%	Ob Year +3 4.4%	Ob Year +4 2.4%	Ob Year +5 0.8%
FFY 2010 (Unprogrammed)	\$ 84,018,544	20,662,347	38,014,827	17,054,377	3,723,248	1,991,789	648,120
FFY 2011	\$ 112,105,092	27,569,560	50,722,798	22,755,483	4,967,892	2,657,624	864,780
FFY 2012	\$ 114,144,643	28,071,139	51,645,609	23,169,478	5,058,274	2,705,975	880,513
FFY 2013	\$ 115,710,829	28,456,304	52,354,241	23,487,388	5,127,679	2,743,104	892,595
FFY 2014	\$ 117,330,122	28,854,531	53,086,903	23,816,078	5,199,437	2,781,492	905,086
FFY 2015	\$ 118,907,690	29,242,496	53,800,685	24,136,298	5,269,347	2,818,891	917,255
FFY 2016	\$ 120,459,418	29,624,106	54,502,776	24,451,273	5,338,111	2,855,677	929,225
FFY 2017	\$ 121,965,173	29,994,410	55,184,067	24,756,916	5,404,838	2,891,373	940,841

  

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FFY 2016	\$ 120,459,418						29,624,106	54,502,776
FFY 2017	\$ 121,965,173							29,994,410
<b>TOTAL</b>		20,662,347	65,584,386	95,848,314	106,580,644	111,337,932	114,180,805	115,939,303
								117,456,539

# Programming 2013-15 Budget

- “New Starts” approach
  - “Fixed costs”
    - GARVEEs (HCB and SR 520)
    - Work in Progress (WIP)
  - “New Starts” by federal fiscal year
  - Cash flow obligation
  - Program level
    - What approach will the department use to deliver its federal program?

# Building the 2013-15 Federal Program

- Timeline
- Prioritization process
- Investment level assumptions
  - State
  - Federal
- Programming of federal funds
- How federal programs are reflected in list

# Timeline

- Fall 2011
  - Develop preliminary 2013-15 investment targets
  - Issue scoping instruction for new projects
- April 2012 – Review investment levels
- April/May – Update systems to align with budget
- June/July - Determine federal program size
  - MAP-21 Consolidation of Programs
  - Distribution between state and locals
- June – Scoped projects submitted for prioritization
- June - Finalize investment levels
- July – Begin project list development
- September – Submit budget

# Prioritization Process

- Investment categories
- Subject matter experts identify a list of deficient projects
- In the fall of each year regions are asked to scope deficient projects
- Scoped projects are prioritized by CPDM staff
- Projects are selected for programming to meet a certain performance level at lowest cost

# Investment Level Assumptions

- Based on reserves found in the project list
- Reserves updated in 2012 Legislative Session to account for all federal programs
  - Maintained investment level
  - Reduced MVA-S to match levels
- Transfers between federal programs
  - Assumed in 2013-15, if necessary
  - No assumed transfers in future

# Programming of Federal Funds

- Program at Obligation Authority level
- Department is considering proposing programming at a higher than OA level
  - Annual obligation levels limited by FHWA, expenditures are not.
  - Developing a program of federal projects that exceeds the forecasted level of OA will help the department avoid losing OA.

# Obligating Funds

- Full phase obligation
  - Reduces number of agreements with FHWA
  - Simplifies TIP/STIP action
- Cash flow obligation
  - Obligation/apportionment amounts on some mega projects exceed the amount available annually
  - Requires a combination of programmed funds and Advanced Construction (AC) designation

# How Projects are Reflected in the List

- Complications from MAP-21
  - Potentially two sets of federal programs (new phase in FFY 2013+)
  - Increases/surplus reflected in the list
- Minimize potential for lapsing funds
- MPO programming issues

# Innovative Financing

- GARVEE
  - Result of June 2012 GARVEE sale
    - TIC – 2.23%
    - Net proceeds = \$600 million
- TIFIA
  - Status of SR 520 TIFIA
- Future use of GARVEE and TIFIA
  - May 2013 GARVEE sale
  - Future TIFIA's?