



REVENUE SHARING AND TRANSPORTATION ALTERNATIVES PROGRAM POLICY INITIATIVES

Locality Question and Answer Webinar

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Review of Purpose of the Proposals

- **Equity in Allocation Distribution**
 - All localities have same access to funds no longer needed for the projects the allocations made to
 - Re-distribution process is based on statewide prioritization process which puts funds to work as fairly and as quickly as possible
 - Address Inflationary Impacts for all Projects
- **Efficiency in Program Management**
 - Ensure the Management of the Programs is as efficient as possible, making maximum use of limited resources – includes expenditures of allocations; Allocations cannot sit for 12+ months or longer when there are other needs
- **Synchronization with other Funding Programs**
 - Ensuring Policy Consistency while keeping in mind the differences in Program needs/purposes

Revenue Sharing (RS) Program

Policy Initiatives Review

Policy 1: Biennial Application Process

Policy 2: Surplus from completed/canceled to central balance entry account;
Retain \$5M annually in central balance entry account to address unanticipated needs – replenish through annual deallocation process

Policy 3: Implement Statewide Prioritization Process to address inflationary impacts/deficit projects at Award/Advertisement/CN.

Policy 4: Agreements are signed/returned in 6 months; Risk deallocation

Policy 5: Modify deallocation process to allow year-round deallocations completely administratively by staff

Transportation Alternatives Program (TAP)

Policy Initiatives Review

Policy 1: Biennial Application Process

Policy 2: Surplus from completed/canceled to central balance entry account;
Retain \$1M annually in central balance entry account to address unanticipated needs

Policy 3: Fully fund selected project application requests, restrict opportunities to request additional funding

Policy 4: Equally allocate funding for distribution to all CTB members

Policy 5: Implement Statewide Prioritization Process to address inflationary impacts/deficit projects at Award/Advertisement/CN. .

Policy 6: Establish maximum lifetime award of \$2.5M per project

Policy 7: Limit number of pre/full-applications

Policy 8: Agreements are signed/returned in 6 months; Risk deallocation

Examples with Current Policy

	Transfer \$\$	Excess After Award Award Year	Transfer After Receiving Project Completed	Age of Funds Initially Transferred	Second Transfer of Excess Funds
	\$300,000	\$183,810 2018	\$102,476	2013 2014	2/21/20
	\$2,018,942	\$2,018,942 2021	not complete	2005 2015	n/a
	\$870,700	\$1,158,829 2021	\$1,301,964	2017	10/31/22

Transfers in Excess of Need

Results in “Banking” of Excess Funds while Needs Elsewhere

Contributes to Excess Cash Balances / Excess “Aging” of Allocations

Projects in Need While Excess Allocations Unavailable

2021 – 12 eligible RS-only projects awarded using >\$20M additional local contributions to meet CN Award Need

2022 – 20 eligible RS-only projects awarded using >\$17M additional local contributions to meet CN Award Need

Revised Reallocation Process

- **Surplus funds from completed or canceled projects are returned to statewide balance entry for redistribution based on standardized prioritization process**
- **Retain Maximum of \$2M TAP/\$5M Revenue Sharing in central balance entry to account for unanticipated needs - replenish through deallocation process**
- **Standardized Reallocation Prioritization Process for all Projects/Localities:**
 - **Projects in Deficit at Construction Award**
 - **Projects in Deficit at Construction Advertisement**
 - **Projects in Deficit in Construction**

Revised Reallocation Process

Additional Allocation Limits

- **Redistributed allocations are not available for additional scope, unless necessary to complete original purpose and need. This includes new application cycles (additional scope is a new project)**
- **Total allocations cannot exceed threshold established for Program**
- **Modifications to Contract to reduce costs unsuccessful**
- **Redistribution allocation increases per current Board policy:**

Total Cost Estimate	Threshold
<\$5 million	up to a 20% increase in total allocations
\$5 million to \$10 million	up to a \$1 million increase in total allocations
>\$10 million	up to a 10% increase in total allocations up to a maximum of \$5 million increase in total allocations

- **<\$5 Million: 20%-40% Simple Board Approval; >40% or any amount >\$1 Million requires Board Presentation with justification**

Survey Questions

- How often have you applied for Revenue Sharing or Transportation Alternatives funding since 2018 (there have been four application cycles).
- Do you support the current practice of submitting Revenue Sharing and Transportation Alternatives applications biennially during the non-Smart Scale application years?
- Would you support a policy, which makes any excess Revenue Sharing and Transportation Alternative allocations on completed and canceled projects available to all localities, but prioritizes covering deficits so that the need for unmatched, additional local funds for all localities is minimized? The prioritization process is envisioned to support projects with an immediate funding need at the construction phase. Currently a locality can retain excess Revenue Sharing allocations from completed projects and transfer them to another project within the same locality going to advertisement within a year. There is no similar policy for Transportation Alternatives.

Survey Questions

- Would you support a CTB policy requiring that CTB members fully fund their selected TAP projects each application cycle? Current policy requires CTB members provide no less than 50% of the funding requested.
- Would you support a policy for both Revenue Sharing and Transportation Alternatives, which requires Commonwealth Transportation Board approval for additional allocations in accordance with existing Six Year Improvement Program policy, but allow transfers below the thresholds to occur without formal CTB approval? Current CTB Thresholds are: Total Project Cost Estimate Less than \$5 Million, up to 20% increase; Total Cost Estimate between \$5 and \$10 Million, up to \$1M increase; Greater than \$10 Million, up to 10% increase up to a maximum of \$5 Million.

Survey Questions

What areas of the Revenue Sharing Program do you think need improvement (check all that apply)?

- Allocation process/priority system
- Deallocation process
- Statewide account to support project deficits
- Locality prioritization of applications
- Transfers
- Reimbursement approval process
- Local match billing
- None
- Other/Comments (provide details in the space provided)

Survey Questions

What areas of the TA Program do you think need improvement (check all that apply)?

- Allocation process/priority system
- Statewide account to support project deficits
- Locality prioritization of applications
- Transfers
- Full funding of TA request
- Deallocation process
- Agreement process
- Eligibility
- None
- Other/Comments (provide details in the space provided)



<https://www.surveymonkey.com/r/QJQ5YML>

THANK YOU

Questions?