



May 3, 2006

To: Metropolitan Policy Committee
From: Paul Thompson
Subject: Item 4.h: Status of Programming STP-U Funds

Action Recommended: None. Information and discussion only.

Background

At the April 13, 2006 MPC meeting, staff presented a memo providing extensive background on the current federal Surface Transportation Program – Urban (STP-U) funds programming process. That memo provided an outline of the major elements for a proposal for an overhaul of the STP-U evaluation criteria and process. Since the April, 2006 MPC meeting staff has continued to refine the proposal. However, due to the complexity of the topic, staffs' prior commitments to other work tasks, and the desire to review the topic with the MPO's Citizen Advisory Committee (CAC) and obtain their input prior to formally presenting a draft proposal, work on the full draft proposal will continue with the goal of presenting that proposal at the June 2006 MPC meeting.

The remainder of this memo presents a status report on the development of the draft STP-U programming proposal. The memo highlights elements of the proposal that have been added or refined since the April 13, 2006 status report.

Status Report

Reproduced below are the major elements under discussion for the draft STP-U programming proposal. Highlighted in ***bold italics*** are those elements that have been added or refined since the last status report. In addition, a series of figures and other attachments to this memo illustrate the STP-U topic in general and the development of the draft programming proposal. These figures and attachments are being developed by staff not only as supporting material for the eventual presentation of the draft proposal to the MPC, but also for use in discussions with the CAC and in public outreach efforts. Thus, the materials provide background and other information which the MPC has seen previously.

The current major elements under discussion for the draft STP-U programming proposal include:

- Of the approximately \$3 million (current estimate) in Central Lane MPO STP-U funds available per year:
 - Maintain the ten percent annual funding target for Transportation Demand Management/Transportation Options (TDM/TO) activities
 - Establish twenty-five percent annual funding target for Planning activities
 - ***Establish a baseline level of funding for each jurisdictions' staff involvement in the core MPO processes and meetings. Staff is currently developing a recommendation for an appropriate level of baseline planning funding for the five local MPO jurisdictions (Eugene, Springfield, Lane County, Lane Transit District and Coburg). The Oregon Department of Transportation would not utilize this funding stream. To accomplish this, staff is analyzing the time spent by each jurisdiction's staff that charges to the STP-U funding stream in MPO meetings (MPC, TPC, CAC, TASC, Transportation Options), as well as time spent in meeting preparation, internal jurisdiction briefings and process to deal with MPO activities, development and review of core MPO materials (such as MTIP amendments, etc.), the actual charge rates of the staff, the relative level of responsibility for local planning within the MPO and other factors. At this time, it is estimated that this baseline funding stream for the five jurisdictions would use approximately four to eight percent of the anticipated STP-U funding for FY07.***
 - ***Formally establish a baseline level of funding for UPWP activities conducted by the MPO. This STP-U funding stream has been consistently programmed in every year STP-U funds have been programmed to date, at a level approximately equal to twelve percent of the anticipated STP-U funds for the year.***
 - ***Target discretionary STP-U funding for local jurisdiction planning to carry out activities in support of regional MPO priorities. After programming the baseline planning amounts for the five local jurisdictions and the MPO, this funding stream would program the balance of the total twenty-five percent targeted for planning, or approximately five to nine percent of the annual STP-U funds.***
 - Target sixty-five percent of annual STP-U funding for Modernization, Preservation and Project Development activities

- Limit each local jurisdiction to a maximum number of funding applications (3?) for each fiscal year
- Look for opportunities to combine funding across multiple fiscal years to fund large projects that are regional priorities
- ***Look for opportunities to fund projects where the overhead cost of using STP-U funds is relatively low***
- Flexibility of evaluation
 - For each 2-4 year STP-U programming cycle, identify at the MPO Policy Board level the regional priorities for the cycle, consistent with Regional Transportation Plan (RTP) policies
 - For example, current regional priorities might be characterized as:
 - Maintain and preserve the existing system
 - Address congestion and improve regional mobility
 - Establish pass/fail criteria for applications (see attached example, an excerpt of the Salem MPO STP-U evaluation criteria and methodology)
 - Establish a second set of flexible subjective evaluation criteria that address the programming cycle's priorities (see attached Salem example)
 - Staff/TPC/**CAC** propose evaluation criteria, MPC reviews and approves
 - Funding applications are submitted by local jurisdictions, reviewed for eligibility against the pass/fail criteria by staff, and then subjectively ranked by staff/TPC/**CAC** on the evaluation criteria to develop a recommendation for MPC
 - ***Look for input from the CAC on the STP-U programming process, the MPO's regional priorities for each STP-U funding cycle and the review and evaluation of the funding applications***
 - MPC reviews the TPC **and CAC** proposal(s), engages in discussion of the applications in light of the approved regional priorities for the funding cycle and the evaluation criteria, and approves programming of funds

Next Steps and Timeline

A staff working group is attempting to meet at least weekly to develop the detailed final draft proposal for the MPO's new STP-U evaluation and programming process. The CAC will discuss the topic at their May 3rd meeting, and staff will report on that discussion at the May 11th MPC meeting. It is anticipated that a draft proposal for programming STP-U funds will appear in the June MPC and CAC packets, requesting discussion and feedback. Staff anticipates bringing a final proposal for the evaluation methodology to the July MPC meeting. Staff is also making an effort to bring a

recommendation for programming FY07 STP-U funds for Planning activities to the June MPC meeting. An STP-U programming timeline is provided as Attachment 4.

At this time, staff is asking the MPC to review and discuss the information provided in this packet and provide feedback to staff.

Attachments: Figure 1 – Overview of STP-U Programming Process
Figure 2 – Approaches to Programming STP-U Funds
Figure 3 – Programming STP-U Funds for Planning Activities
Attachment 1 – Federal Guidelines for STP-U Funding
Attachment 2 – Overview of Potential STP-U Funding Categories
Attachment 3 – Excerpt from Salem MPO Project Selection Methodology
Attachment 4 – STP-U Programming Timeline