

TEMPO Cat 2 Formula Mtg. Notes

May 14, 2018

Called in: Brownwood (Alfonso and others), Paris District, Dallas District, TxDOT UTP (Colt Amberg, TxDOT Fort Worth District (Mohammed)

Category 2 is up to speed / formula options

Colt – draft and overview of UTP

Break down where it comes from

Try to update formulas prior to the end of the year

Run over a 10-year period, starting at the end of 2017 UTP to use cash flow receiving

Rolling funds year to year cost more / 2017 - \$3.1 BIL; target / \$3.2 BIL due to carry over by category

Prop 1 and 7 programs such as TRS / all 12 funds used

Closer to \$75 BIL UTP this year

Category 1: Maintenance

Category 2: \$12.9 BIL / split 87/13 identified at MPO/district level

Category 3: Non-Traditional / source of fund focused

Category 4: Urban inside MPO boundaries / Rural outside MPO boundaries

Category 5: CMAQ – 3 MPOs receiving funds currently (non-attainment) NCTCOG, HGAC, and El Paso

Category 6: Selective?

Category 7: Large TMAs

Category 8: Safety / \$3.3 BIL / performance outcomes

Category 9: Transportation Alternatives / TMAs / PTN division

Category 11: District Discretionary / \$2.5 MIL per district / additional \$40 MIL to be allocated / Rider \$11 BIL – border program / Tier 1 energy sector

Category 12: TTC Approved – soft targets also (clear lanes) / a guide released (not certain) / \$12 BIL / specifically identified by needs of state / no tolling (?)

Are there any questions about how these were derived?

Fair, equitable way to meet State objectives / economic and environmental impacts

Planning targets

In final UTP, create a program to maintain funds bank and get best projects done, using amounts of projects and local ranking / Cat 2 allocated / Commission decision

Replicating current planning targets causes concern. They may not be perfectly aligned; because the number of projects let in 2018 exceeded the amount allocated.

2018-2028 carry forward / funds allocated in 2010 are still lingering / front loaded category adjustments along with funds potentially received.

Each year, the 10-year targets are adjusted by what was funded previously. Balance still available, but not showing up in UTP because the project(s) already let.

Target is one lump sum amount / questions of frequency of target updates / If formulae are approved this year, could it be implemented before 2020?

Feedback – Utility for MPO and TEMPO groups / How often and when to run formulae data collected and approved timeline?

Categories 2, 4 and 12 – no impacts except those with tolling

Peggy - This is a lot of information.

2019 UTP / 3 columns

10 year target – run through for what already let / ex: Cat 4 spending 2020 in 2018

Amount currently programmed in UTP

Whatever is left

In 2019 – 2020, programming is light compared to 2021 – 2022

All mobility programs (2, 4 & 12) can be maintained according to what is ready to let. Then determine if we can afford them all, and can plan support over the period?

Dan – 6 months ago conversation about Category 2 formula came up, to look at UTP and better understand the formula, applied set to a dollar amount we expect to be distributed.

The UTP is a programming document.

How can we show actual dollars we expect to come by category, and compare it to what shows up? Don't see what we're familiar with...

Colt – We can provide that. We can calculate it and show that carry forward adjustment, and you can see the calculations.

Peggy – They want to see that, base distributions, and what is carrying forward.

Dan - We were told there is \$11.5 BIL. / Might be \$12.3 BIL of add-ons (let earlier).

Colt – It is hard to illustrate, but we can show the math and explain.

Clay – Do you have the local fund amounts?

Colt – It is programmed in DCIS, and can provide based on today's dollars. I will send to Peggy, broken out by district, and she can share later today.

Chris – Does it update on an annual basis? Does what goes out move up or down based on that? In 2019 there may be a sizable adjustment because of what's coming out of Houston's 5-year update.

Alan – We suffer for 4 years before the formula reflects updates. Using what TxDOT gives you, it can't be updated for quite awhile and some may be outdated.

Chris – Data fluctuations are something we deal with also.

Colt – I will stay for a bit and will send information to Peggy, especially regarding Cat 3.

Ashby – Adjusted dollars estimated to be 100, and drops to 70 by the time we get there. How would this be made up?

Colt – That's why we're going to 10 years. We could accelerate or delay according to available cash flow.

Ashby – Sort of a "whole numbers" approach?

Colt – Formula adjusted

Alan – No instructions on the way funds are programmed, and cost of today's projects compared to when we can actually do the project. Is there any contingency besides what is built into letting cost?

Colt – For Cats 2 and 4 there is a 10% contingency approval amount. Minimum \$5K to offset expenses.

Look at first 4-5 yrs and projected costs without having to go to Commission for approval. It's a challenge to manage UTP on current cost basis. Some MPOs build that in. Admin can adjust up or down or delay or accelerate based on available cash flow and forecast.

Ashby – Using Cat 7 as a backstop for Cat 2?

Colt – To fund top 100 based on congestion. Cats 2, 12 and some 7, to backstop without going to Commission to save construction costs.

Ashby – Some areas are very protective of Cat 7. Its ok to advance, but not assume this money is available, and that the State can appropriate as they see fit.

Colt – Cats 5 and 7 are not Commission approved, not in UTP, and can be adjusted.

Alan – 10% adjustment, and must still be reconciled against funds allocated to that area.

Colt – Cat 4 urban funds programs as well with flexibility.

Bill – Category 2 Distribution Formula History Presentation

Hard-baked into TTC

To be reviewed every 5 years

Last change was in 2008

Huge chunk for Cats 1 and 7 – where needed most? What happened?

SEE REPORT HANDOUT

Revisions / Minority reports: 2 dissented and 2 expressed concerns

Feedback from TxDOT not to change

Current formula is based on 83/17, 2000 Census, and needs updating

Since 2000: Population shifts, 3 new TMAs, and UTP funds increased \$0 to \$11.5 MIL

Submitted to TxDOT: Big 6 – 83% / Small MPOs (19) – 17%

Options:

- 1) Do nothing for now
- 2) Only update TMA/Non TMA split
- 3) Reconfirm earlier formula revision
- 4) Develop new formula
- 5) Declare no consensus

Cameron – Is Option number 3 referring to Scenario 2?

Joel – HSB

Clay – How does federal distribution formula compare? Cat 7 is by population. For some time we've

looked at the FastAct, etc., based on the 2000 Census. Seems a disadvantage for high growth states. Federal Register to FHWA to us. Is TxDOT affected? It seems to come directly to us from Feds.

Chris – Issues in large MPOs are more diverse and greater. By separating into 2 groups, we can insulate them from disparity of needs.

Drew – 87/13 split was merely population driven.

Dan – We talked a lot about using the same formula all across, and chose to break out the smaller areas by keeping weight related to lane miles.

Drew – 2,3 or 4 options seem to conflict w/ TxDOT guidance. Can we achieve alignment with each other before we get into a session and funds are made available, and just get it done?

Peggy – No rulemaking can start until after September. If we can, we need to reach consensus and get ahead of the game.

Drew – The concern is that the formula is equitable to everyone, based on each area's unique needs and priorities.

Ashby – Understand, we're stuck with restrictions on props 1 and 7; Cat 2 dollars have to be spent on congestion; we went through and looked at sensitivity scale and realized population and VMT were more prevalent. I'd rather try to reach consensus today so we can give legislature our request rather than have them give us something.

Bill – When certain words like "fair," "just," and "equitable," are used, the formula is expected to meet the needs of all parties. Even if one's needs cost more, it's still equitable. When we use population, we can make choices of how to use that money, based on our individual needs. Population may be more fair.

Clay – What do you do when you have less population but have major roadways?

Chris – We used our Cat 2 dollars for that, and the Commission put in Cat 12, and we leveraged other resources. No matter how we slice it, we can only get so many resources from this pie. The state has no new toll road concept, No Cat 7. Now look for new sources of revenue.

Drew – I don't disagree, and 100% agree with Sid on using population. So much of the categories are affected by population. Truck VMT tends to dilute the funds we get. Maybe it isn't 100% population, but criteria might dilute what we have to work with and what we do with them.

Dan – Compared formula as it is against population only, but not more or less than 1%

(This led to general discussion and argument.)

Alan – What about taxes people pay for being stuck in traffic? It's not the same everywhere. The Governor and Lt. Governor have been unified about congestion and safety on our roads, and I hate to not recognize that this is an issue. If we go straight population, it's concerning that we recognize the relevance of all the issues important to people in general. We'd be better with population only.

Dan – This is about how we'll be viewed if we can't reach consensus. This may be the best deal we'll get.

We don't know what the next step will be if we can't pull this off.

Cameron – Bicycle fatalities (safety) aren't a pretty site in Permian Basin. TxDOT spent and lot of money on DecisionLens and all the effort put into that endeavor.

Ashby – If there was no DecisionLens, this would probably go to the Commission, and none of us have a Commissioner on it.

LUNCH BREAK

Sid – Lets look at the options. The Lubbock Plan is population driven, so use the current criteria and new population data and keep the 87/13 split.

Dan – We're working on a table comparing 2015 population compared to current criteria in dollar amounts too.

Alan – What if we divided into two groups, with 1 MIL population as the dividing line between large and small? Would that allow us to find common needs and interests, and get closer together?

Chris – We're not married to two divisions, we could have more or none.

Drew – My board tells me not to look for anything more than what is fair.

Alan – Population should drive the split. The difference in needs makes "Big 6" seem not equitable. We need to better balance MPOs by need.

Dan – My comparison is based 100% on population, across the board, with no split.

Drew – We're not getting less, but because TxDOT released the 2017 UTP, boards see loss.

Dan – In the new formula, there will be winners and losers.

Drew – As long as it's fair.

Dan – What is fair?

Cameron – We showed our policy boards the 2017 UTP, and under all these scenarios we get less than \$13 K per year. If nothing changes, the small MPOs do great, so we'll vote to leave it.

Alan – If nothing else changes, the split will change because it's based on 2010 census. A population split, as it is currently, will change.

Sid – Non-TMAs want the formula to stay the same.

Dan – Large areas are just growing faster than small ones.

Peggy – Swing between 2018 and 2019 UTPs is distribution formula only. The numbers are going to change every year.

E'Lisa – We need to work together, no winners or losers, just good transportation planning.

Cameron – How can I connect the dots when I'm losing money between all the calculations?

Peggy – Tables went out Thursday (May 10), double counted add-ons. Need to go by the one sent on Friday.

Dan – The UTP is a fiscal planning document. You shouldn't send it to your policy boards because it changes from year to year.

Drew - When we're given these numbers to use, and then get word that it was overprogrammed, no one knows what's going to happen in 8-10 years. Just give me something reasonable I can plan with and create a stable forecast.

Cameron – We looked at all MPOs and others were programmed up to 95%. Should we put a self-imposed percentage based on what can be programmed, but leave money in for contingency in case TxDOT comes up with something more that needs to be done?

Dan – Large metro area projects are so expensive, they're going to be hesitant to leave anything on the table so other areas can use the funds. We have a draft formula on the table, is anyone unwilling to look at it again? We can break up into two groups. Where do we want to go from here?

Chris – Sounds like we want to stay with what we have.

Dan – What about those not comfortable with it?

Sid – Maybe we can break up and reaffirm. That makes me more comfortable.

Chris – We need to wrap this up at the June meeting.

Sid – We need to look at weightings to see if they're valid on our end. New formula, as opposed to population only when we come together in June.

Alan – 87/13 is an artifact to me now and, however broken, would not see each group included.

Peggy – I have all the data used for 2019. 2016 data is 91/9.

Drew – I agree with Alan, leave room to use most recent data and adjust.

Chris – Are we still okay with Big 6 and 19 small? (800K split?)

Dan – That's up to Hidalgo and El Paso.

Alan – The percentage is probably different, but the amount may not be due to adjusting on the front end.

Dan – If TxDOT expects an agreed upon formula, it's mathematically impossible to not have winners and losers. Some get +/- \$10 MIL or \$100 MIL. Two minority reports kept it from being accepted last year. Even if we don't change the formula, the sheer movement of date results in winners and losers.

Sid – I have to be able to take to my board and explain it. I can say other areas are growing more than ours. I can support loss by population, but not by criteria. In June, if we can reach consensus, I'll feel better.

Joel – I'd like to see all these proposed formula numbers updated with the latest data.

Alan – Moving parts 87/13 makes the most difference. Shows impact of population split (91/90) formula with the latest data. Email from TxDOT has other, different things.

Peggy – I'd recommend taking dollars out and only run percentages.

Alan – Introduces some turbulence. Start pie with 2019.

Peggy – Set up percentages at 2019 for pie (\$11.5 BIL). Too many moving parts if you change all the dials.

Drew – My fear is if you use no dollars, objects are not as they appear.

Peggy – I can use pie and run new percentages.

Dan – Drew is saying use 87/13, and Alan says it's not going to stay the same for long.

Peggy – I'll show 91/9 as well, with new data also. 87/13 will be the baseline with old numbers.

Dan – I'll mail out sheet one. How do we build consensus about spending? Tell policy boards we have way more funds than we had ten years ago.

Major – As long as we can sell this based on our effort here to achieve the best possible result for the good of the State as a whole regarding transportation planning.

Cameron – We're getting TIP approved next week, so when we get UTP, we'll have the first 6 years of 10 knocked out.

Dan – Lets all give Peggy what we'd like to see

87/13 = 85/15 2016 data

83/17 or 84/16? Big 6/19 small

New formula / new data / old split/ new split

Baseline is current (2018) / \$11.5 BIL carryover

Joel – 87/13 what population? 2015 or 2016 new info?

Drew – Scenario 50% pop / 30% congestion / 10% truck VMT / 10% safety

Alfonso – Brownsville wants to use for small MPOs too.

? – Michael Medina is retiring in June, who is Deputy Director?

Bill – Our goal is to reach the narrowest gain/loss. That is how we came to the last formula.

ANNOUNCEMENTS and FINAL COMMENTS

Next meeting is June 5, 9am-12pm

State Pavements and Bridge Projects

Travel-Time Reliability – Schrank & Lomax

MOU Agreements executed?

Planning agreements due in September. Peggy will send out templates. Some citations updated.

Does Peggy have feedback on PM3? May be stragglers to send upline.

CMAQ and non-SOP? Good on that.

MPO TRAINING

Drew – I would like to see more on mentoring and team-building in TEMPO as an organization. Even if

Just a one-day workshop, or 2-hour trainings on topics. Some peer exchange would be good.
Bill's work should be supplemental.

Dan – I met with John Barton and with Mark ? The problem always comes back to time and resources

not available. MPO 101's were not specific enough. We all know this is a challenge, but needed.
TxDOT has a staggering amount of turnover. Core management development and curriculum.

Ashby – Met with Dan and working on a draft curriculum.

Cameron – I will volunteer to help, just let me know.

MEETING ADJOURNED