

# Transportation for America

## Falling Forward: A Guide to the FAST Act

August 18, 2016

[www.T4america.org](http://www.T4america.org)

@t4america

# Today's Presenter

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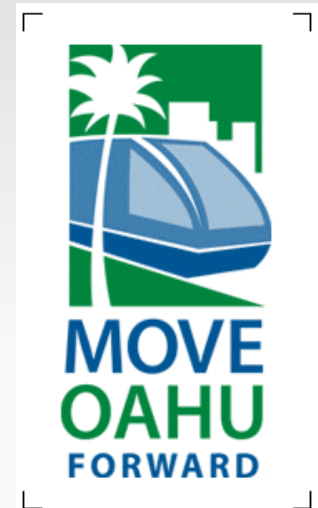
# About Us

**Transportation for America** is the alliance of elected, business and civic leaders from communities across the country, united to ensure that states and the federal government invest in smart, locally-driven transportation solutions — because these are the investments that hold the key to our future economic prosperity.

**T4A is committed to helping your community create the transportation investments necessary for a prosperous future.**

# Our Members Include:

T4A's members are cities, counties, non-profit organizations, higher-ed institutions and businesses of various shapes and sizes.



# Outline



## **FALLING FORWARD:** A GUIDE TO THE **FAST** ACT

Understanding the shortcomings and select opportunities  
in the 2016-2020 federal transportation authorization



# Hard Facts

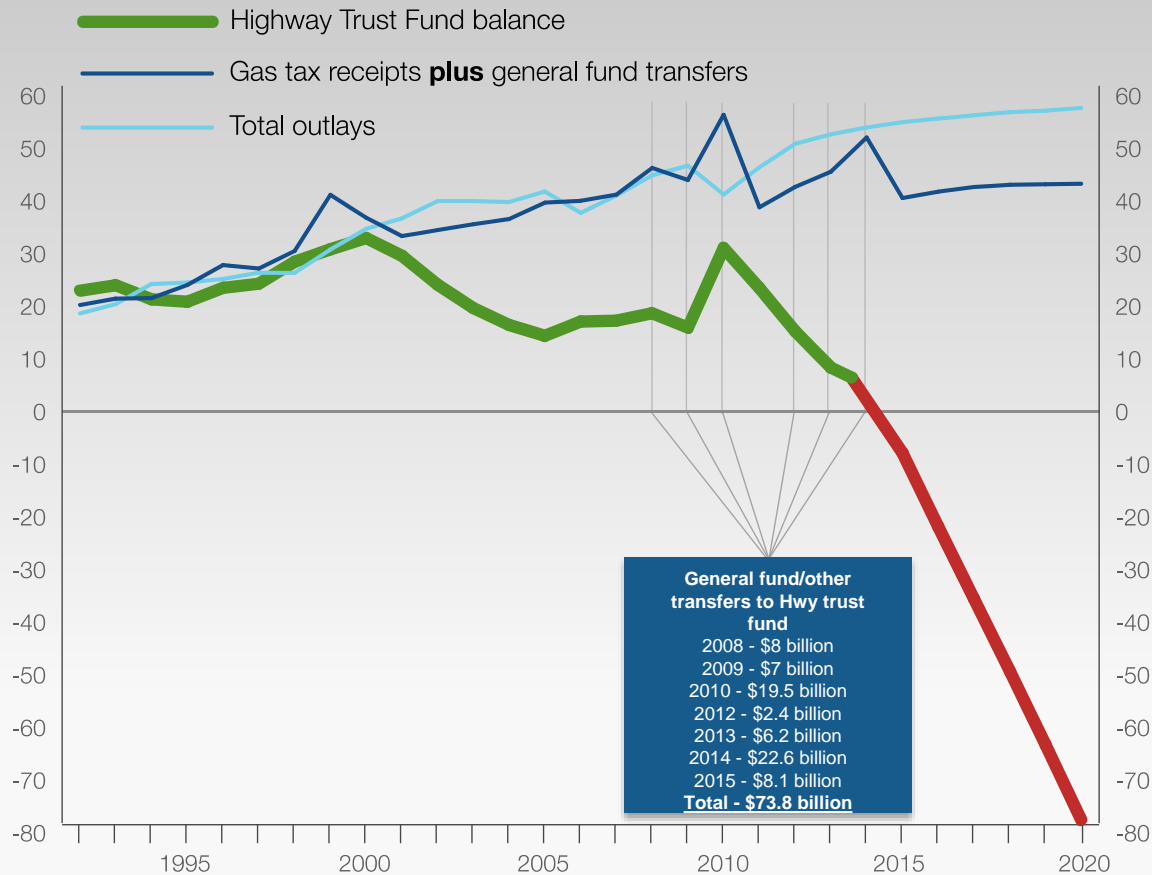
## 3 Truths

1. The federal program is largely a block grant given to and controlled by the states
2. State leadership on transportation issues will be more important than ever in the years to come
3. There'll never be enough money to pay for every need, want and desire so policy must be used to maximize desired outcomes from scarce resources

# Trends: Crisis in funding

Outlays exceeding gas tax receipts since the turn of the century  
 Only general fund transfers have kept the trust fund solvent

In billions



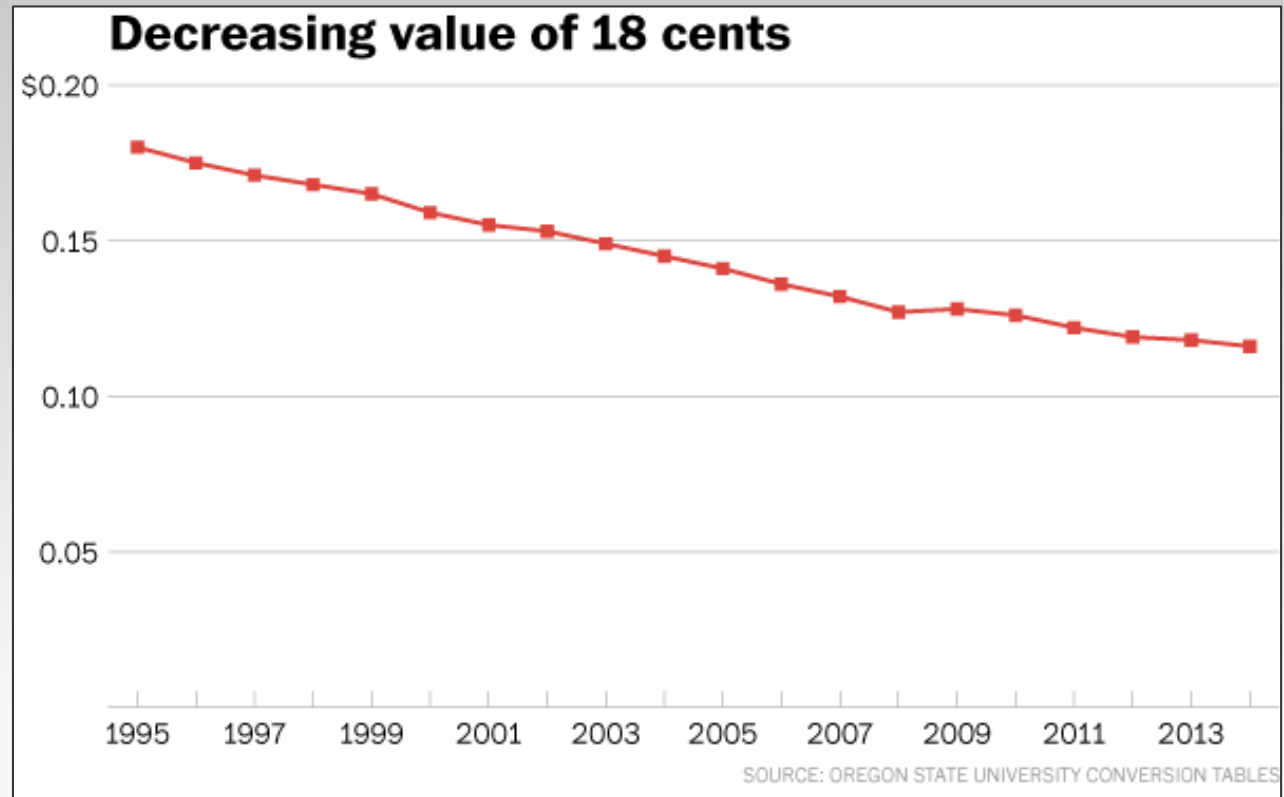
\*2012-2020 numbers are based on most recent CBO projections- August 27th, 2012

\*\*DOT requires a minimum \$6 billion cushion, hence the HTF hits the red before crossing zero.

<http://www.fhwa.dot.gov/policyinformation/statistics/2010/fe210.cfm>

# Trends: Crisis in Funding

The federal gas tax is fixed at 18.4¢/gal since 1993, having lost nearly 40% of purchasing power

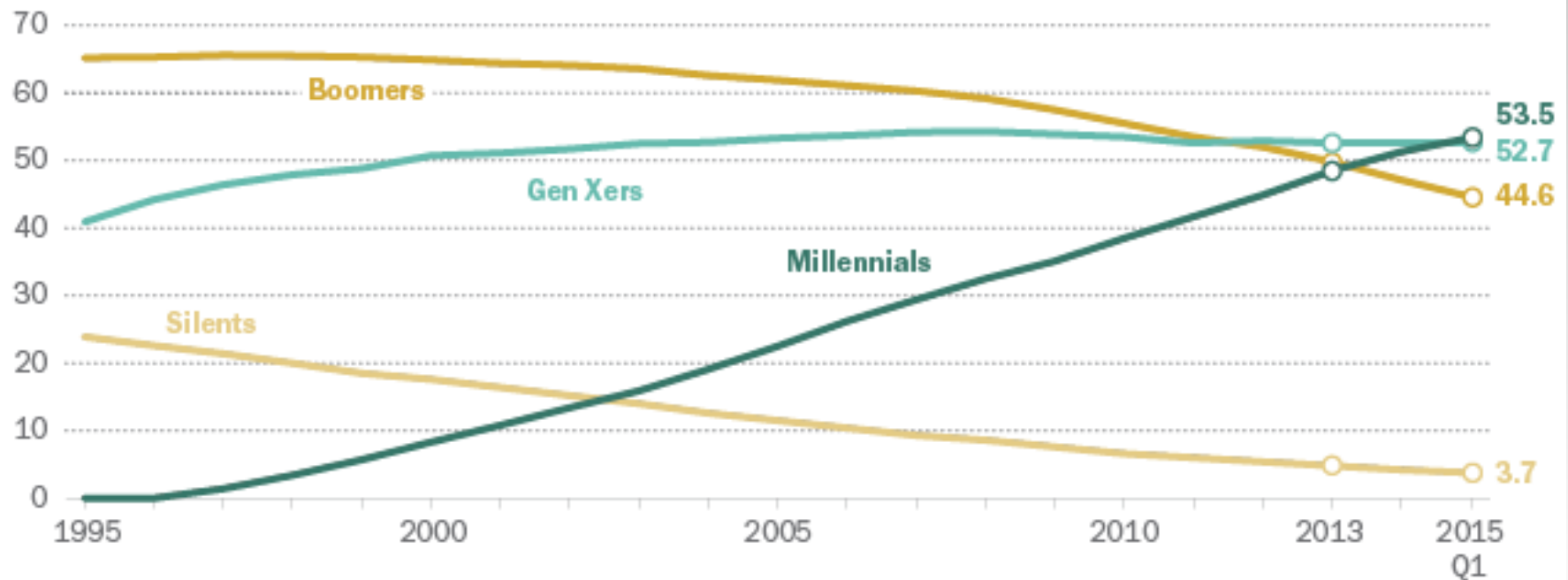




# Millennials now Largest Share of the Work Force

## U.S. Labor Force by Generation, 1995-2015

*In millions*



Note: Annual averages plotted 1995-2014. For 2015 the first quarter average of 2015 is shown. Due to data limitations, Silent generation is overestimated from 2008-2015.

Source: Pew Research Center tabulations of monthly 1995-2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS)

PEW RESEARCH CENTER

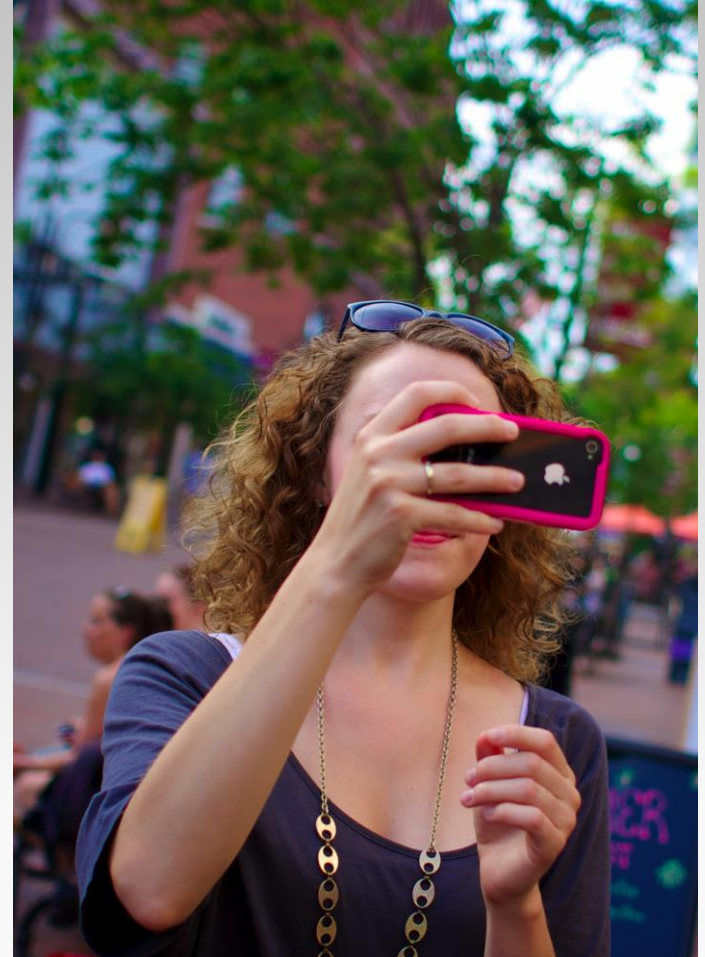
# Trends: Job Talent Attraction & Retention

## Millennials

Largest share of American workforce

Millennials choose where to live before finding a job.

4 out of 5 Millennials want to live in places with transportation options to get to jobs, school and daily needs



Digger

# Marriott CEO: We will move our headquarters

By Jonathan O'Connell March 1

Marriott Int

camp

could

jurisdi

"I think it's essential we be accessible to Metro and that limits the options. I think as with many other things our younger folks are more inclined to be Metro-accessible and more urban. That doesn't necessarily mean we will move to downtown Washington, but we will move someplace."

porate nameplate among local

A little more than 2,000 people work at Marriott's corporate headquarters, located in over 900,000 square square feet on Fernwood Road in Bethesda.

# Wacom's new Pearl District HQ seeks to offer inspiration



By **Mike Rogoway** | [The Oregonian/OregonLive](#)

[Email the author](#) | [Follow on Twitter](#)

on April 21, 2016 at 4:12 PM, updated April 22, 2016 at 7:17 AM

## The Oregonian



The concrete floors and bare, unfinished ceilings in Wacom's new Pearl District headquarters are stark "industrial chic," as if the just-completed Pearl West building were a blank page.

"We say that creativity starts on a blank page," said CEO Kirmse from Germany, in Portland this week for the first time.

The digital pen and stylus have plain features and a sleek, modern look. It's a small, handheld device that can be used to draw and write on a computer screen.

And he said while some Vancouver employees declined to stay with the company for its move to Portland, the new office has opened the door to workers who hadn't considered Wacom before.

"We had people who would not join us if we stayed in Vancouver," Kirmse said.

Wacom's products are used by ad agencies, industrial designers, animators and filmmakers to create on the computer. The Japanese company has a growing presence in the U.S., and the new office makes room for up to 300 employees – 50 percent more than it has today.

Wacom's sales totaled \$620 million last year. More than a third of its revenue comes from licensing its technology to Dell, Lenovo, Fujitsu and others who incorporate digital pens into

[Peek inside Google's secretive new Portland office](#)

[Intel layoffs: June 1 Portland job fair seeks to help](#)

[Viewpoint complaint alleges company targeted older workers and those on medical or family leave](#)

[Carl Icahn closes out stake in Mentor Graphics](#)

# Businesses Respond to Changing Preference



**THE WALL STREET JOURNAL.**

Home World U.S. Politics Economy Business Tech Markets Opinion Arts Life **Real Estate**

**'The Secret' Author Rhonda Byrne Cuts Price of Home**

**Home Prices Continue to Climb**

**Boutique Bohemian: High-End Hostels Come to America**

**Calgary's Office Boom Skids on Oil Slump**

REAL ESTATE | DEAL OF THE WEEK

## Companies Trade Suburbs for City Life

Locations deemed 'walkable' appreciate more than those that are car-dependent, firm says

By ROBYN A. FRIEDMAN  
April 21, 2015 4:33 p.m. ET

“Locations deemed walkable appreciate more than those that are car-dependent”



Mercedes-Benz



**MOTOROLA**



# Trends: The Changing Transportation Market

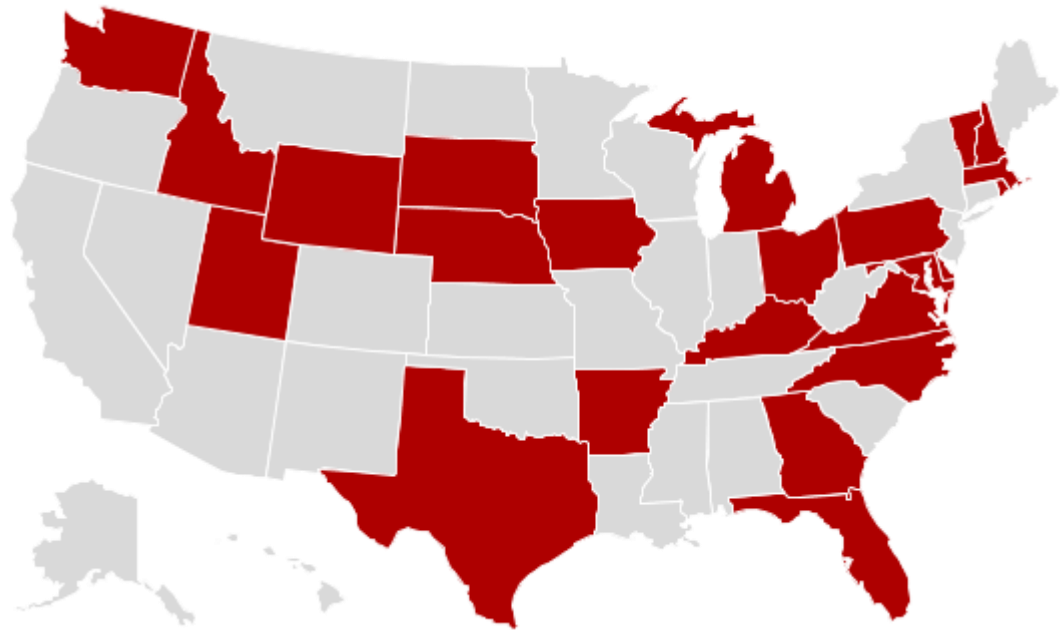


**zipcar**<sup>®</sup>  
wheels when you want them

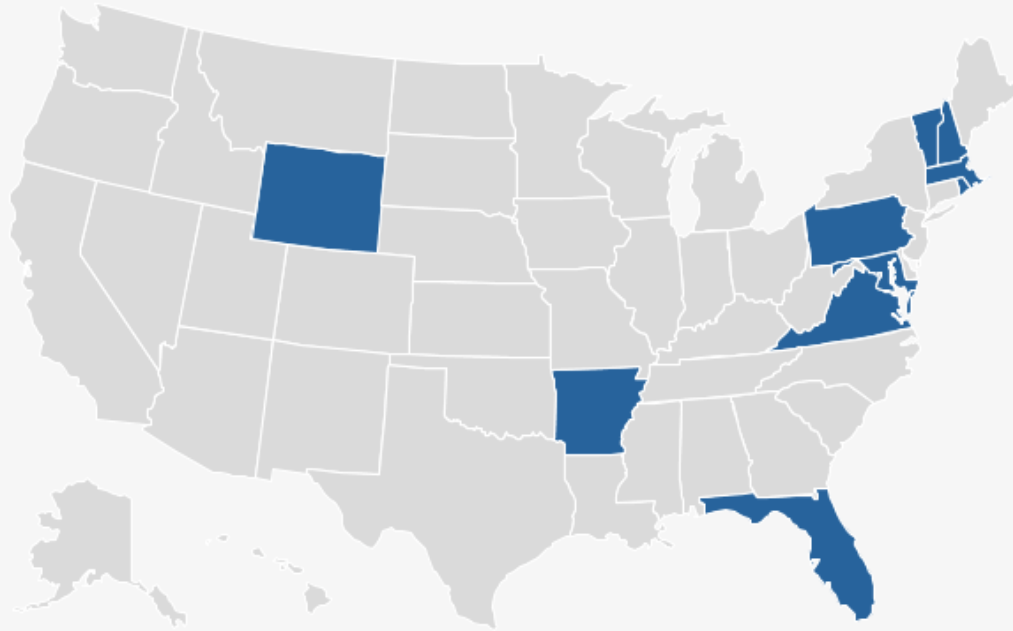


# Trends: States are Raising Funds

SINCE 2012  
**TWENTY-THREE**  
**STATES**  
HAVE APPROVED  
PLANS TO  
RAISE ADDITIONAL  
TRANSPORTATION  
REVENUES



# Trends: States are Raising Funds



SINCE 2012,  
98% OF  
REPRESENTATIVES  
IN THESE STATES  
VOTING **YES** ON BILLS  
TO RAISE  
TRANSPORTATION  
REVENUE **WON THEIR**  
NEXT PRIMARY



# How did Congress Respond?



**FALLING FORWARD:**

A GUIDE TO THE **FAST** ACT

Status quo

# FAST Act: Overview

- Fixing America's Surface Transportation (FAST) Act
- Effective date October 1, 2015
- 5 year policy and funding authorization through FY2020

The logo for the FAST Act, featuring the word "FAST" in large, bold, red capital letters above the word "ACT" in large, bold, dark blue capital letters. The text is set against a light gray background with a subtle drop shadow effect.

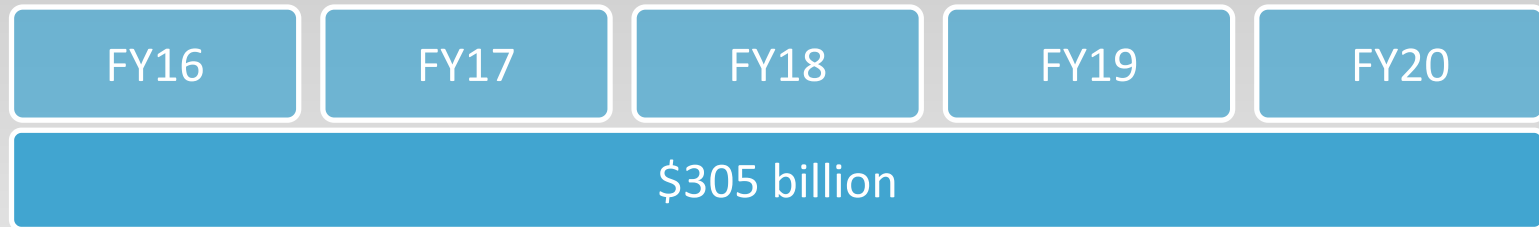
# FAST Act: Overview

## FAST ACT

- Maintains decision-making power in states' hands—block grant to State DOTs
- Shores up federal funding for now—but no long term certainty and not enough to get out of backlog

# FAST Act: Overview

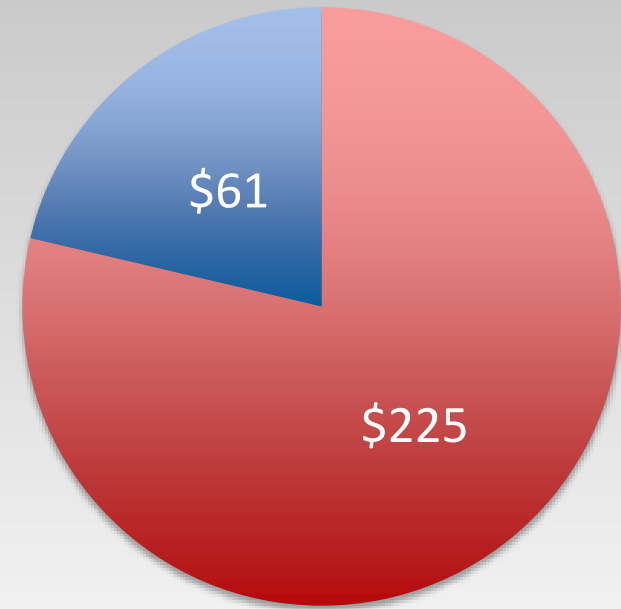
Passed on December 3, 2015



- Incorporates rail program in broader transportation bill for first time
- Adds new highway freight formula and discretionary grant programs
- Maintains earmark ban

# FAST Act: Funding

- \$305 billion
  - \$281b HTF contract authority
  - \$24b general appropriations
- 80-20 split between highway and transit



■ Highways ■ Transit  
(in billions of dollars)

# FAST Act: Funding

General tax dollars committed to keep the highway trust fund solvent



**\$71 BILLION**

2008-2015



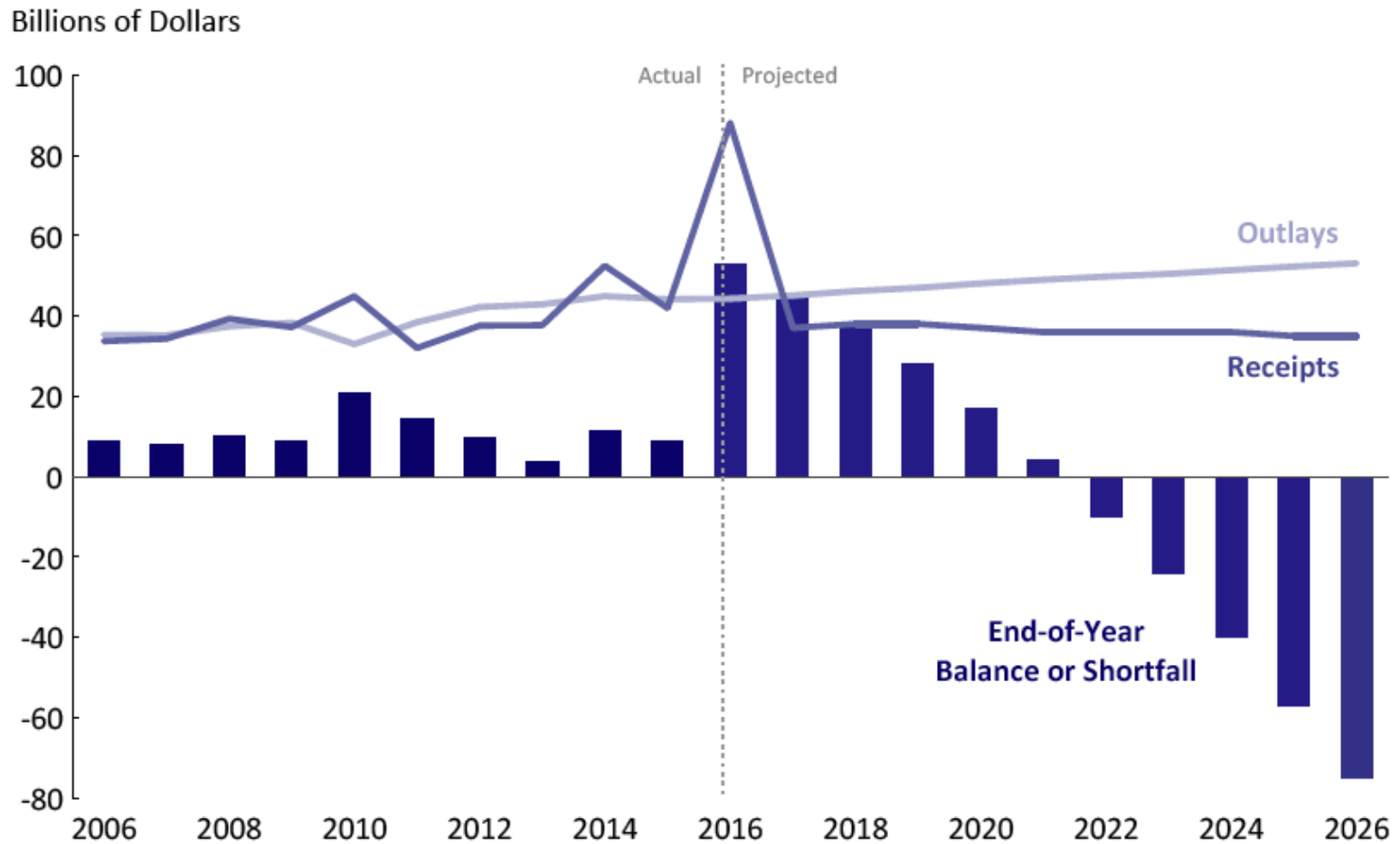
**\$70 BILLION**

2016-2020

*With \$71 billion in general taxpayer dollars transferred into the highway trust fund to keep it solvent over the last seven years, and more than \$70 billion transferred to cover the next five years of the FAST Act, the notion of a true trust fund for transportation, funded by users of the system, is dead.*

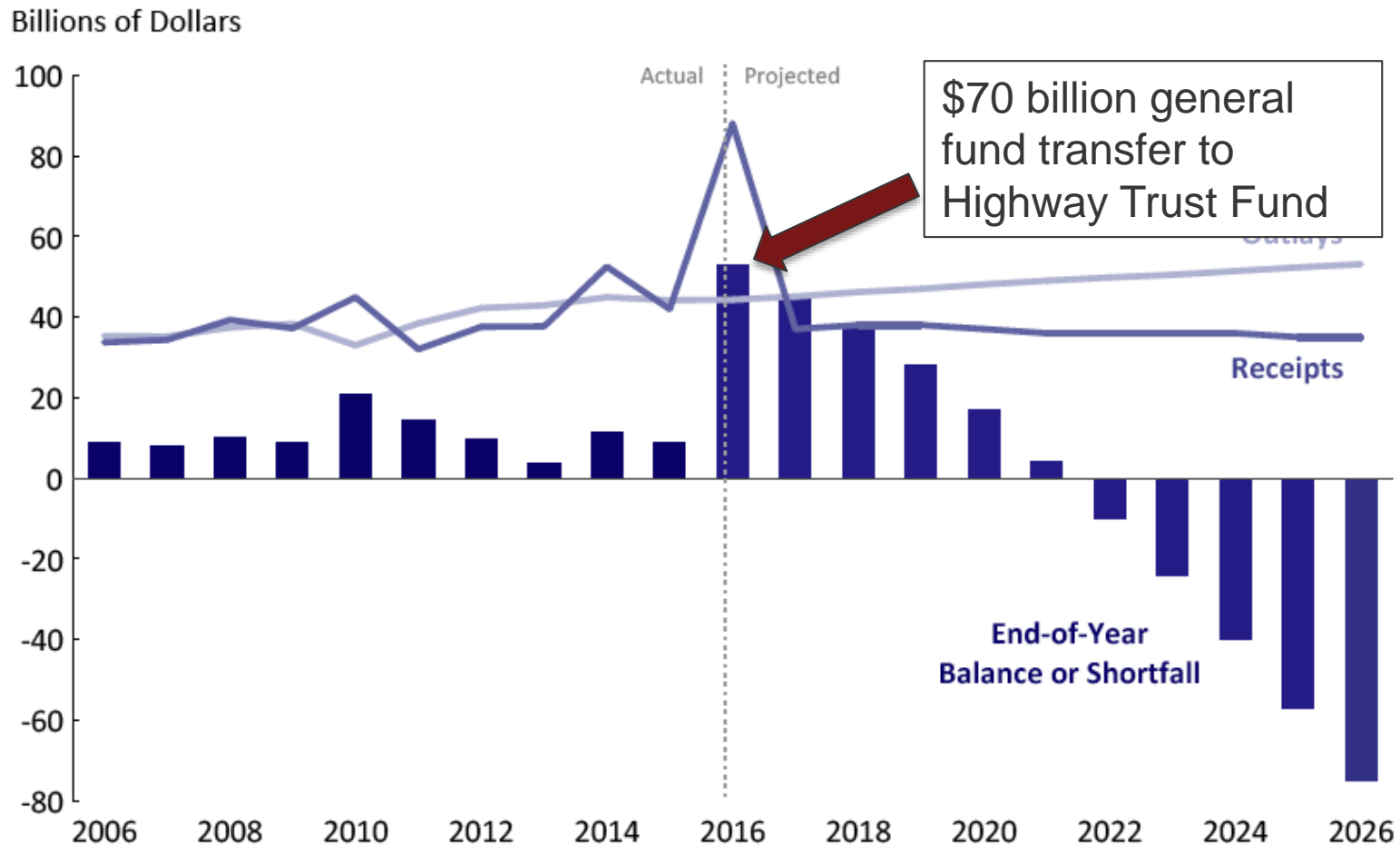
# FAST Act: Funding

## Actual and Projected Receipts, Outlays, and Balance or Shortfall for the Highway Account Under the March 2016 Baseline, 2006 to 2026



# FAST Act: Funding

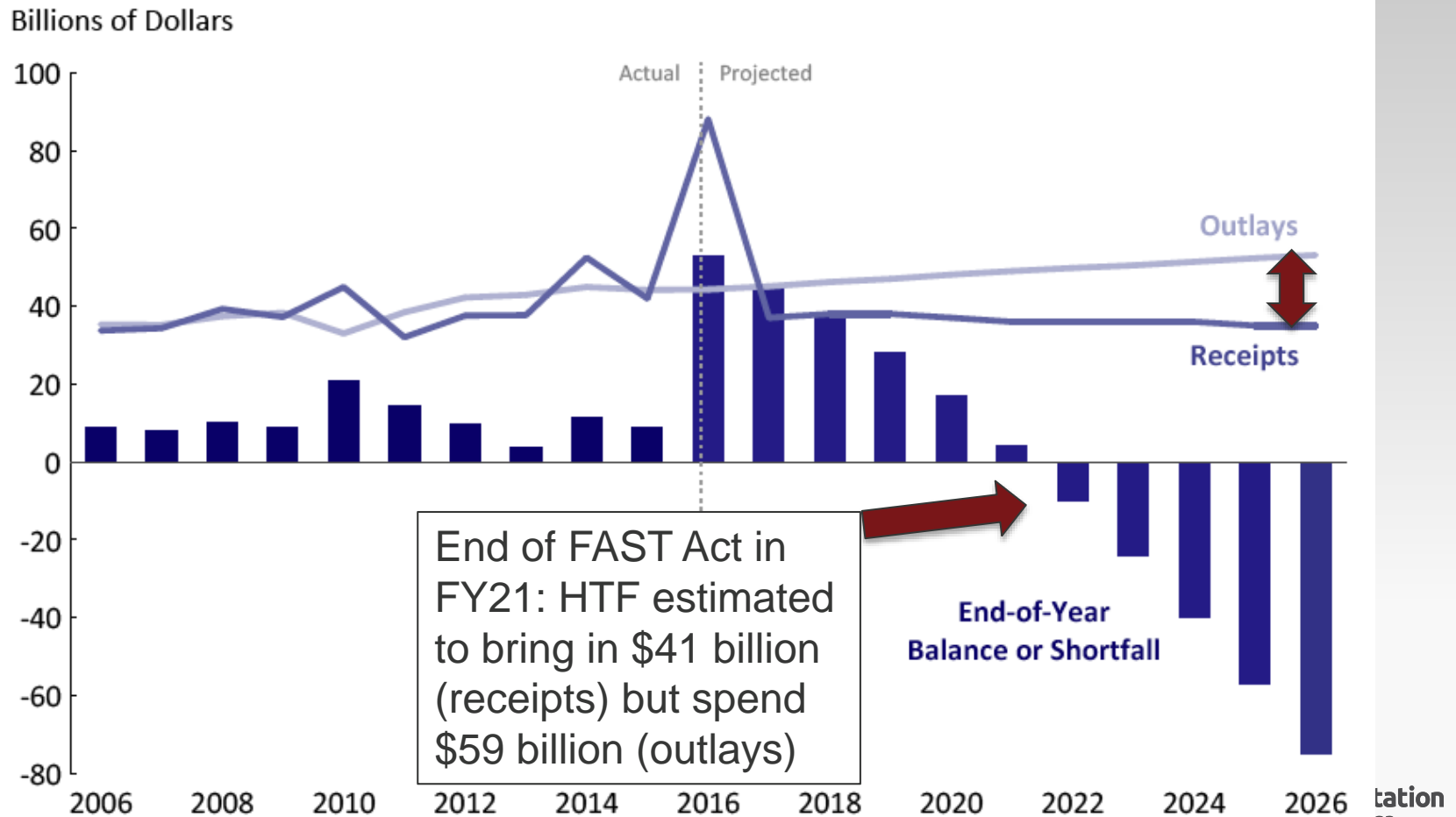
## Actual and Projected Receipts, Outlays, and Balance or Shortfall for the Highway Account Under the March 2016 Baseline, 2006 to 2026





# FAST Act: Funding

## Actual and Projected Receipts, Outlays, and Balance or Shortfall for the Highway Account Under the March 2016 Baseline, 2006 to 2026



# FAST Act: Highways

|          | Program  | MAP-21<br>FY2015<br>funding<br>(billions) | Avg. annual<br>FAST Act<br>funding<br>(billions) | FAST Act<br>increase<br>over MAP-<br>21 | Major focus of program   |
|----------|--|---|--|---|--|
| Highways | National Highway Performance Program (NHPP)                      | \$21.9                                    | \$23.3   | \$1.4                                   | Improving the condition and performance of the National Highway System   |
|          | Surface Transportation Block Grant Program (STBGP)               | \$10.1                                    | \$11.9   | \$1.8                                   | Flexible, multimodal program with aspects of local control   |
|          | Highway Safety Improvement Program (HSIP)                        | \$2.4                                     | \$2.6  | \$0.2                                   | Improving safety for all road users  |
|          | Congestion Mitigation and Air Quality (CMAQ) Improvement Program | \$2.3                                     | \$2.4  | \$0.1                                   | Improving air quality in areas with high levels of air pollution   |
|          | Metropolitan Planning  | \$0.31                                    | \$0.34   | \$0.03                                  | Supporting metropolitan planning and transportation investment decisions   |
|          | National Highway Freight Program                                 | -   | \$1.2  | \$1.2                                   | Improving the movement of freight on the National Highway Freight Network (NHFN)—largely the National Highway System   |
|          | Transportation Alternatives Program (TAP)*                       | \$0.82                                    | \$0.84   | \$0.02                                  | State and regional competitive grants for safe streets, walkable communities, and community-based transportation "enhancement" projects. *FAST Act made TAP a set-aside within STBGP |
|          | <b>Highways total</b>  | <b>\$37.8</b>                             | <b>\$42.5</b>                                    | <b>\$4.7</b>                            |  |

# Freight

## National Highway Freight formula program

- Formula program with \$1.15b in FY16 rising to \$1.5b in FY20
- State apportionments are based on current highway formulas, not the amount or value for tonnage of freight moving through a state
- Pre-determines which projects are best for local and state leaders by requiring a minimum of 90% of a state's funding go to highways

## Nationally Significant Freight and Highway Projects:

- Renamed “FASTLANE” by USDOT
- Discretionary program with \$800m in FY16 rising to \$1b in FY20
- Projects over \$100m and 30% of state apportionment
- 60% federal match and grant awards must exceed \$25m
- Caps funding for multimodal projects at \$500m (11% of program) for entire 5 years
- Opens back-door to reintroduce earmarks

# Freight

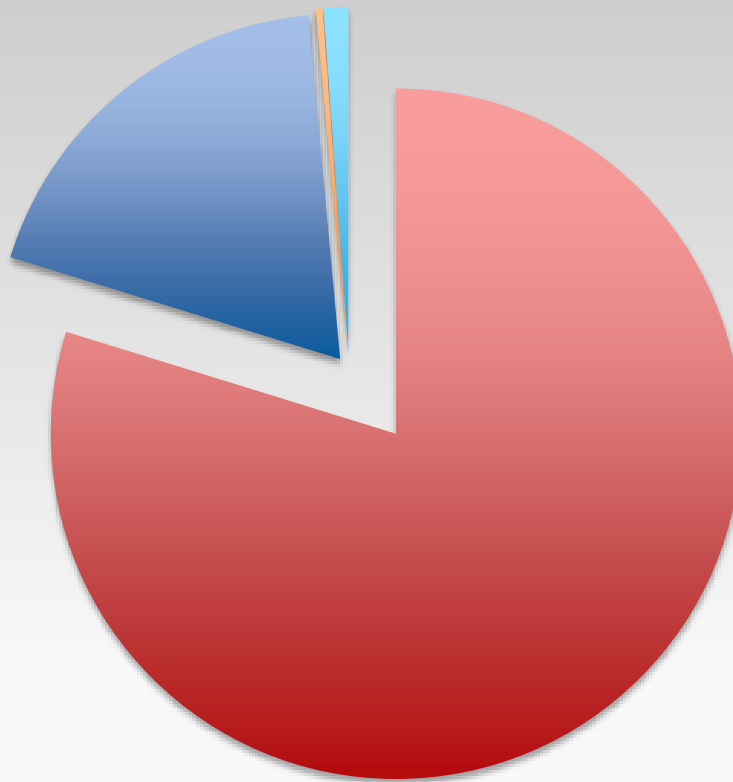
FASTLANE grant funding available over duration of FAST Act

|                 | FY16                 | FY17   | FY18          | FY19          | FY20        | Total         |
|-----------------|----------------------|--|---------------|---------------|-------------|---------------|
| <b>National</b> | \$800 million        | \$850 million  | \$900 million | \$950 million | \$1 billion | \$4.5 billion |
| <b>Oregon</b>   | <b>FY16-20 Total</b> | <b>Total available for multimodal projects FY16-20</b> |               |               |             |               |
|                 | \$79.8 million       | \$8.0 million  |               |               |             |               |

# Local Opportunities

- Renames Surface Transportation Program (STP) to “Surface Transportation Block Grant Program” (STBG) – no broad structural change
- Increases rate of STBG apportionment to metropolitan regions by 1% per year until FY20 - total of 55% of program in FY20
- This change amounts an additional \$3.4 billion over life bill
- Lowers TIFIA project costs for local projects to \$10M from \$50M
- Does not authorize TIGER –popular program remains in annual appropriation limbo

# FAST Act: Transit



## Transit

- Transit Formula
- Transit Capital Improvement Grants
- Positive Train Control Discretionary
- Other

# FAST Act: Transit

Transit funding available over duration of the FAST Act FY16-20

| Urbanized Area              | MAP-21 FY15 Funding | Avg. Annual FAST Act funding | FAST Act increase over MAP-21 | Major focus of program   |
|-----------------------------|---------------------|------------------------------|-------------------------------|--|
| Transit Formula             | \$8.6 billion       | \$9.8 billion                | \$1.2 billion                 | Support planning, operations, capital investments and other functions in rural and urban communities |
| Transit Capital Investments | \$1.9 billion       | \$2.3 billion                | \$0.4 billion                 | Providing capital for major capital investments on a discretionary basis                             |

# FAST Act: Transit

## Select Transit Formula Programs available under FAST Act FY16-20

| Urbanized Area  | MAP-21 FY15 Funding | Avg. Annual FAST Act funding | FAST Act increase over MAP-21 | Major focus of program  |
|---|---------------------|------------------------------|-------------------------------|---|
| Urbanized Area Grants                                       | \$4.5 billion       | \$4.7 billion                | \$300 million                 | Funds for urbanized areas over 200,000 people and states for capital, operating and planning assistance     |
| State of Good Repair  | \$2.2 billion       | \$2.6 billion                | \$400 million                 | For rail fixed-guideway or high-intensity motorbus transit operators for maintenance, rehab, or replacement |
| Fast Growing/High Density                                   | \$526 million       | \$553 million                | \$27 million                  | Funding to urban areas within high population density states  |
| Bus & Bus Facilities Formula                                | \$428 million       | \$446 million                | \$18 million                  | To replace, rehab, and purchase buses and related equipment   |
| Bus & Bus Facilities Discretionary (incl. Low-no Emissions) | n/a                 | \$304 million                | \$304 million                 |   |



# Formula & New Starts

## Transit Formula Grants

- Removes requirement for areas over 200k people to spend a minimum of 1% on transit enhancements

## Capital Investment Grants

- New Starts, Small Starts, Core Capacity
- Decreases federal match from 80% to 60% for New Starts
- Increases maximum Small Starts grant and projects costs from \$75m to \$100m and \$250m to \$300m, respectively
- Opens eligibility to include joint public transportation and intercity passenger rail projects

# FAST Act: Transit

## Bus and Bus Facilities

- Reestablishes discretionary grant program with \$268m in FY16 rising to \$344m in FY20
- \$55m per year within the discretionary funds will be reserved for low and no emission bus program

## Other

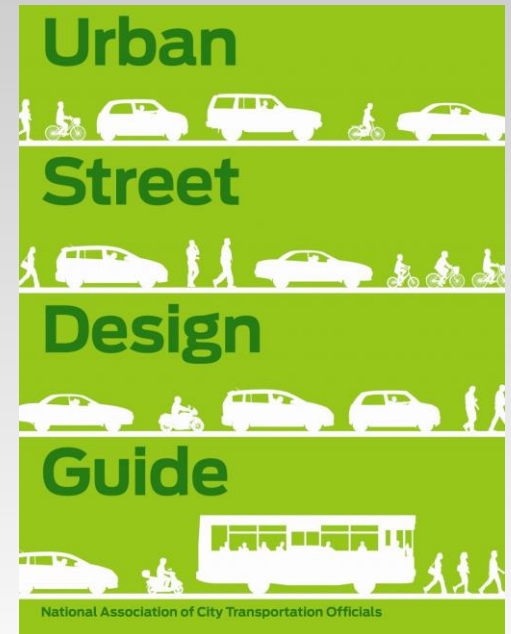
- TOD pilot program funded at \$10m per year

# Active Transportation

- Moves Transportation Alternatives Program (TAP) to STBG as a set-aside
- Renames TAP to “STP Set-Aside”
- Funded at \$830m in FY16 and 17, rising to \$850m for FY18-20; removes inflationary growth found in other programs
- Recreational Trails Program set-aside is maintained
- Eligibility expanded to include nonprofits with safety programs
- MPOs, with population over 200k, can flex up to 50% of funds to non-bicycle or pedestrian projects

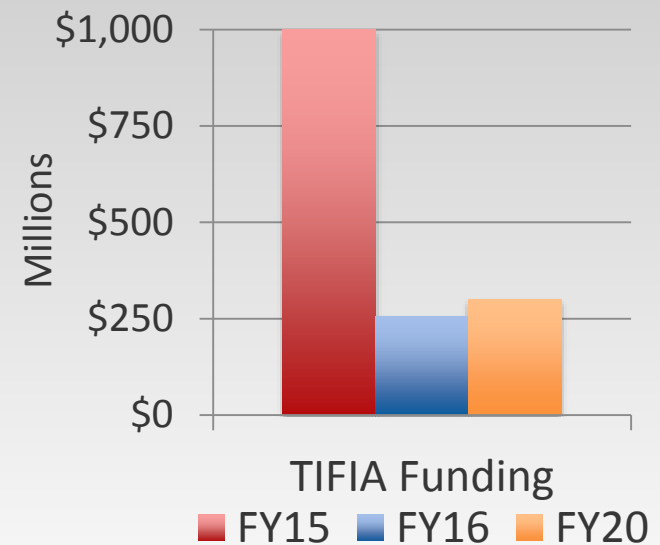
# Design

- Requires NHS roadway designs to consider all modes
- Requires USDOT to use NACTO's Urban Design Guide Manual when developing national design standards
- Encourages states and MPOs to adopt complete streets language
- Permits use of local government design guides that differ from state guides



# Financing

- Cuts TIFIA funds from \$1b per year to \$275-\$300b per year
- Makes TOD projects eligible for TIFIA and RRIF
- Lowers local and TOD project costs from \$50m to \$10m
- Re-authorizes State Infrastructure Banks
- Establishes a National Surface Transportation & Innovative Finance Bureau to administer innovative financing programs at USDOT



# Passenger Rail

- Authorized, but funding tied to annual appropriation process
- Amtrak authorization and appropriations are split into two accounts by lines of service (National – state & long-distance – and Northeast Corridor)
- Total Amtrak authorization is \$1.45b in FY16 increasing to \$1.8b in FY20

## **Establishes three new discretionary grant programs**

- Consolidated Rail Infrastructure & Safety Improvements program - \$98M in FY16 to \$330M in FY20
- Federal State Partnership for SGR program - \$82M in FY16 to \$300M in FY20
- Restoration & Enhancement Grants program - \$20M per year

# Where do we go from here?



# Need to Focus on States

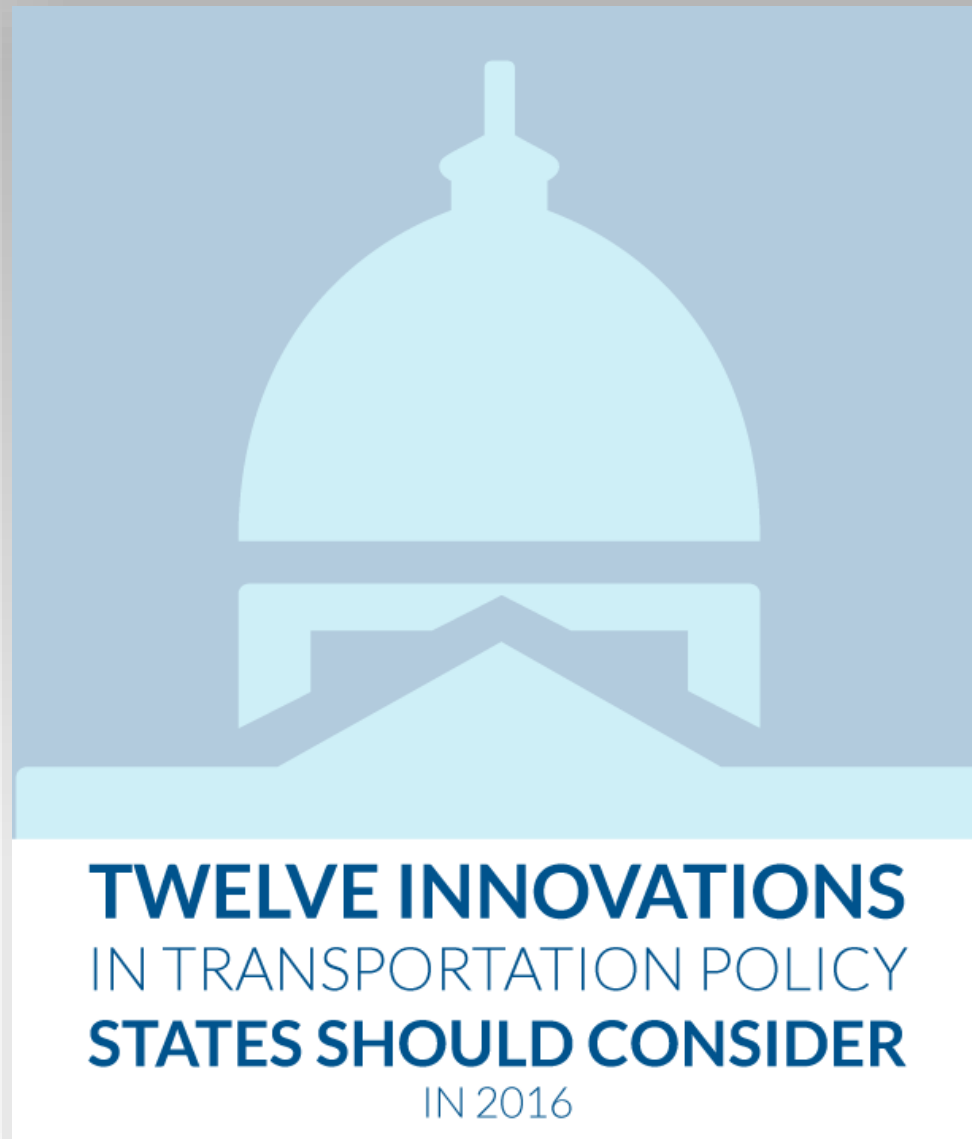
- Why?
  - Congress isn't likely to do anything until 2020, at the earliest
  - States control the lion's share of all transportation dollars in the country
  - It's not enough to hope all will be fixed if you raise transportation funds; you need to reform policy to best spend your limited dollars



# State Policy Network



# T4A Helping Lead the Way



# 12 Polices for States to Consider

## **Increase accountability and transparency to build taxpayer confidence**

Proposal #1: Improve accountability by measuring performance

Proposal #2: Measure outcomes important to taxpayers

## **Make states economically competitive and empower locals to do the same**

Proposal #3: Ease constitutional and statutory restrictions on funding

Proposal #4: Reform outdated funding formulas

Proposal #5: Direct more funding to local communities

Proposal #6: Enable local transportation taxing authority

# 12 Policies for States to Consider

## **Invest in innovation and reward the smartest projects**

Proposal #7: Award funds competitively to the best multimodal projects

Proposal #8: Promote transportation demand management

Proposal #9: Encourage tolling to manage traffic demand and deliver options

## **Maximize savings through better project development**

Proposal #10: Save money by right-sizing projects and utilizing practical design

## **Improve safety through better street design**

Proposal #11: Incentivize communities to implement complete streets policies

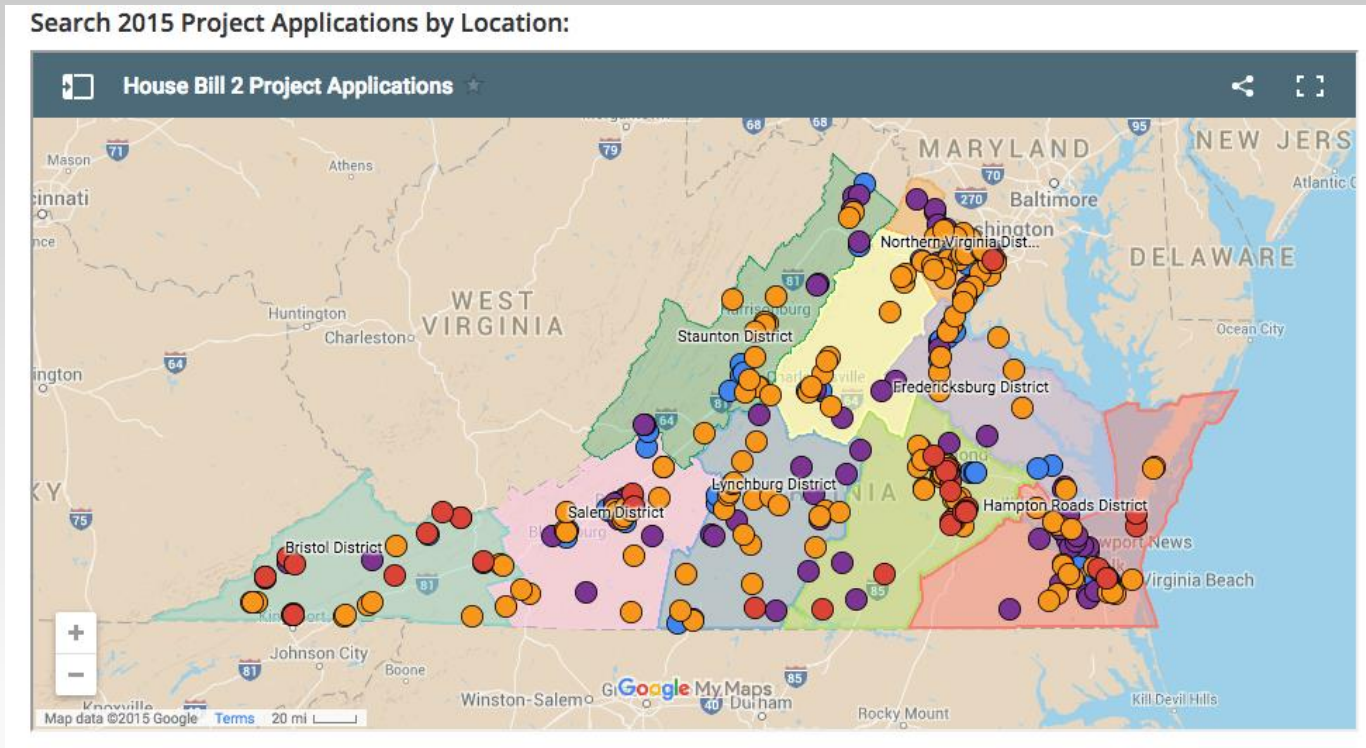
Proposal #12: Adopt more flexible street design standards

# #1 - Improve accountability by measuring performance

- Virginia's Governor Terry McAuliffe signed House Bill 2 (HB2) into law in 2014 after unanimous support from legislature
- HB2 requires new capacity transportation projects to be evaluated according to 6 priority areas:
  - Safety
  - Congestion Mitigation
  - Accessibility
  - Environmental Protection
  - Economic Development
  - Land Use Coordination (for areas over 200,000)
- Eligible projects are evaluated against measures under each of the priorities in HB2

# HB 2 Development

1<sup>st</sup> Project scoring list released on January 19



More found at the state's website

[www.virginiahb2.org/](http://www.virginiahb2.org/)

# HB 2 Process

## PROJECT SCORECARD

## HB2 Funding the Right Transportation Projects

Lynch Mill Road & Altavista Elementary School

App Id: 520

Construction of a 250 foot right turn lane on Lynch Mill Road into the Altavista Elementary School parking lot with minimal taper length.

|                                   |                   |
|-----------------------------------|-------------------|
| Project Location .....            | Altavista         |
| HB2 Area Type .....               | D                 |
| Submitting Entity .....           | Town of Altavista |
| Total Project Cost .....          | \$150,454         |
| HB2 Request .....                 | \$150,454         |
| Preliminary Engineering .....     | Not Started       |
| Right of Way .....                | Not Started       |
| Construction .....                | Not Started       |
| Expenditures to Date .....        | N/A               |
| Key Fund Sources .....            | N/A               |
| Administered By .....             | VDOT              |
| Eligible Funding Program(s) ..... | District Grant    |



# HB 2 Process

## Altavista Project

### Performance

VTrans Need: Safety: VDOT  
Safety Study

[Click for details](#)

### Project Benefit Score

1.5

### Final Score

Statewide Rank

District Rank

### HB2 COST

100.3

1/287

1/36

### TOTAL COST

100.3

1/287

1/36

| Congestion Mitigation               |                                | Safety                               |   | Accessibility              |  |   | Environment                       |  | Economic Development                   |   |                                     | Land Use                          |
|-------------------------------------|--------------------------------|--------------------------------------|---|----------------------------|--|---|-----------------------------------|--|--|---|-------------------------------------|-----------------------------------|
| 10% of score                        |                                | 30% of score                         |   | 15% of score               |  |   | 10% of score                      |  | 35% of score                           |   |                                     | N/A                               |
| 50%                                 | 50%                            | 50%                                  | 50%                                       | 60%                        | 20%  | 20%   | 50%                               | 50%  | 60%                                    | 20%   | 20%                                 | N/A                               |
| Increase in Daily Person Throughput | Decrease in Person Hours Delay | Reduction in Fatal and Severe Injury | Reduction in Fatal and Severe Injury Rate | Increase in Access to Jobs | Increase in Access to Jobs for Disadvantaged Populations | Improved Access to Multimodal Choices (Users Benefit Value) | Air Quality (Total Benefit Value) | Acres of Natural/Cultural Resources Potentially Impacted | Economic Development Support (Sq. ft.) | Intermodal Access Improvements (Tons Benefit Value) | Travel Time Reliability Improvement | Transportation Efficient Land Use |
| 0                                   | 0                              | 0                                    | 0   | 0                          | 0  | 0   | 0                                 | 28.8   |  | 0.5   | 0.5                                 |                                   |



# HB 2 Process

## Final Score

- Adjusted project score is divided by the HB2-funded cost of the project (in \$10 millions) to determine cost-effectiveness

## Alvtavista Final Score

- HB 2 project cost: ~\$150,000
- Raw project benefit score: 1.5
- Final score: 100 per \$10 million of HB2 funds (1.5/.015)

# Incent Better Outcomes

## Massachusetts' Complete Streets Program (\$12.5 million FY16-17)



Provide technical assistance and incentives for adoption of Complete Streets policies at the municipal level. Rather than simply seeking funding for a single project, communities are incentivized to implement a strategic plan and complete street projects.

### Process

- (1) Sign a community compact with the state
- (2) Pass a local complete street policy
- (3) Up to \$50,000 then made available for strategic complete streets plan and prioritization plan
- (4) Up to \$400,000 available for construction of prioritized projects



complete streets are for everyone



# STATE TRANSPORTATION

ADVOCACY, RESEARCH & TRAINING

Join T4America's state policy network:

[bit.ly/joinT4Astatenetwork](https://bit.ly/joinT4Astatenetwork)

Join us in Sacramento in November 16-17

[t4america.org/capital-ideas](https://t4america.org/capital-ideas)

# Thank you!

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