

INFORMATION ITEM #9

**Winston-Salem Urban Area Metropolitan Planning Organization
Transportation Advisory Committee
Action Request**

Meeting Date: November 19, 2020 **Agenda Item Number:** 9

Action Requested: Consideration of the Request to Swap Surface Transportation Block Grant – Direct Attributable (STBG-DA) Funds For Surface Transportation Block Grant (STBG) Funds

SUMMARY OF INFORMATION: **Attachments:** Yes X No

The United States Census defines urbanized areas with a population over 200,000 as Transportation Management Areas (TMAs). The Winston-Salem Urban Area was designated as a TMA after the 2000 U.S. Census. As a TMA, the Winston-Salem Urban Area Metropolitan Planning Organization (WSMPO) has the authority to program available Surface Transportation Block Grant - Direct Attributable (STBG-DA) funds.

The North Carolina Department of Transportation would like to propose a funding swap between STBG-DA and STBG-flex funds. Since it is anticipated that the fund swap would bring additional cash to NCDOT in FY 2021, the Department would then be in a position to allow up to \$4.5 M of locally administered projects to be started (or re-started). MPO staff is coordinating with NCDOT and member municipalities on their priority locally administered projects that could be eligible for this swap.

Staff from NCDOT's Division of Planning and Programming is available to provide more detailed explanations of the impacts and benefits of the swap proposed.

TAC Vote: Motion by: _____ **Second by:** _____

Vote: For _____ **Against** _____

RESOLUTION
APPROVING THE REQUEST TO SWAP SURFACE TRANSPORTATION BLOCK GRANT – DIRECT ATTRIBUTABLE FUNDS FOR SURFACE TRANSPORTATION BLOCK GRANT FUNDS

A motion was made by TAC Member _____ and seconded by TAC Member _____ for the adoption of the following resolution, and upon being put to a vote was duly adopted.

WHEREAS, the Winston-Salem Urban Area, an urbanized area with a population over 200,000, may program federal Surface Transportation Block Grant - Direct Attributable (STBG-DA) funds; and

WHEREAS, the North Carolina Department of Transportation would like to propose a funding swap between STBG-DA and STBG-flex funds; and

WHEREAS, it is anticipated that the fund swap would bring additional cash to NCDOT in FY 2021; and

WHEREAS, the Department would then be in a position to allow up to \$4.5 M of locally administered projects to be started (or re-started); and

WHEREAS, MPO staff is coordinating with NCDOT and member municipalities on their priority locally administered projects that could be eligible for this swap; and

WHEREAS, these modification will be included in the 2020-2029 Metropolitan Transportation Improvement Program (MTIP).

NOW, THEREFORE, BE IT RESOLVED that the Transportation Advisory Committee of the Winston-Salem Urban Area Metropolitan Planning Organization approves NCDOT's request to swap STBG-DA funds for STBG funds.

Adopted on this the 19th day of November, 2020.

Mike Horn, Chairman
Transportation Advisory Committee

Kirk E. Ericson, Secretary
Transportation Advisory Committee



NORTH CAROLINA

Department of Transportation



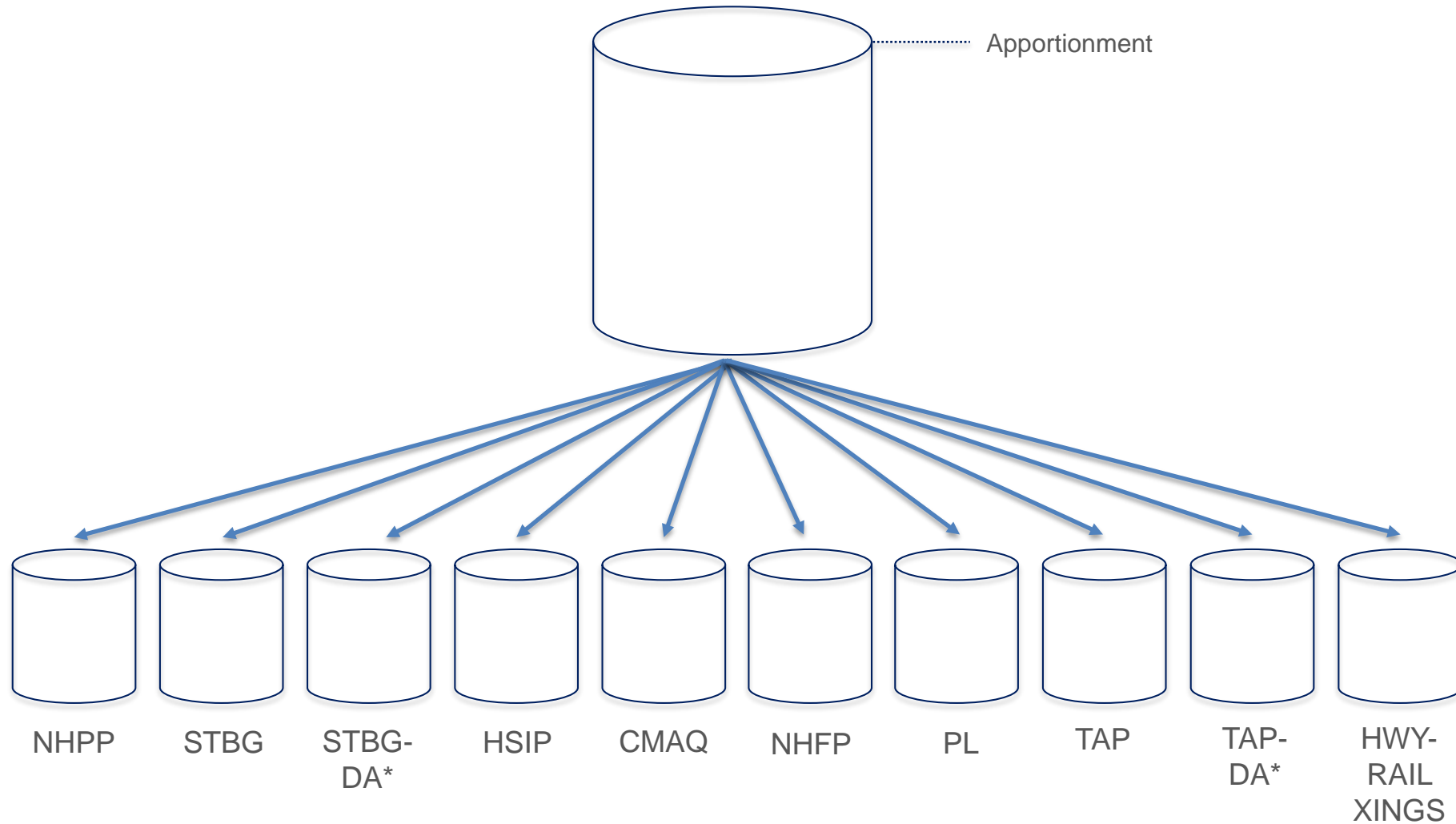
Federal Funding and Fund Swaps

Division of Planning and Programming
November 19, 2020

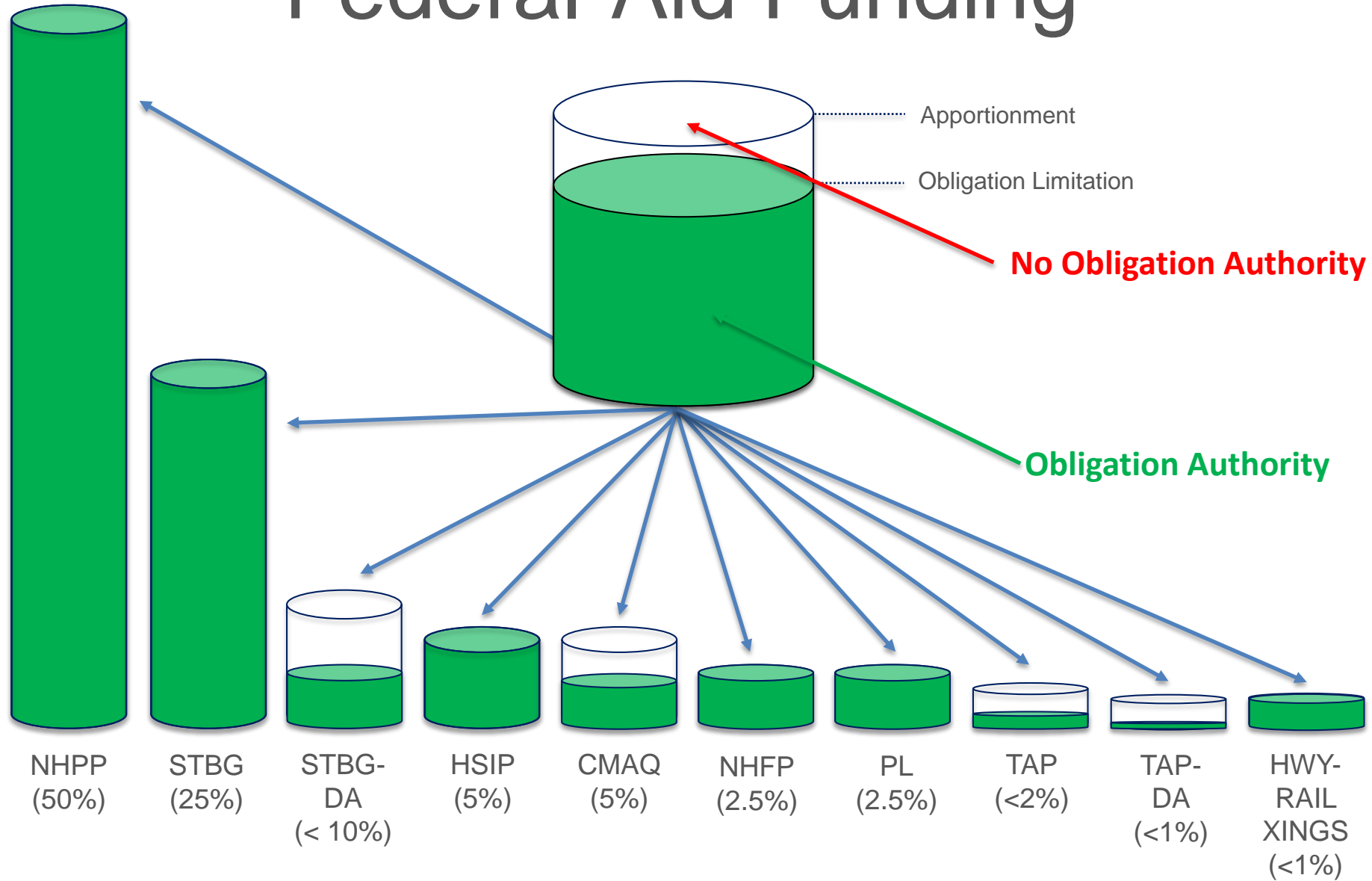
Today's Discussion

1. Federal-aid funding
2. August Redistribution
3. Federal authorization technique
4. Role of BGDA swaps

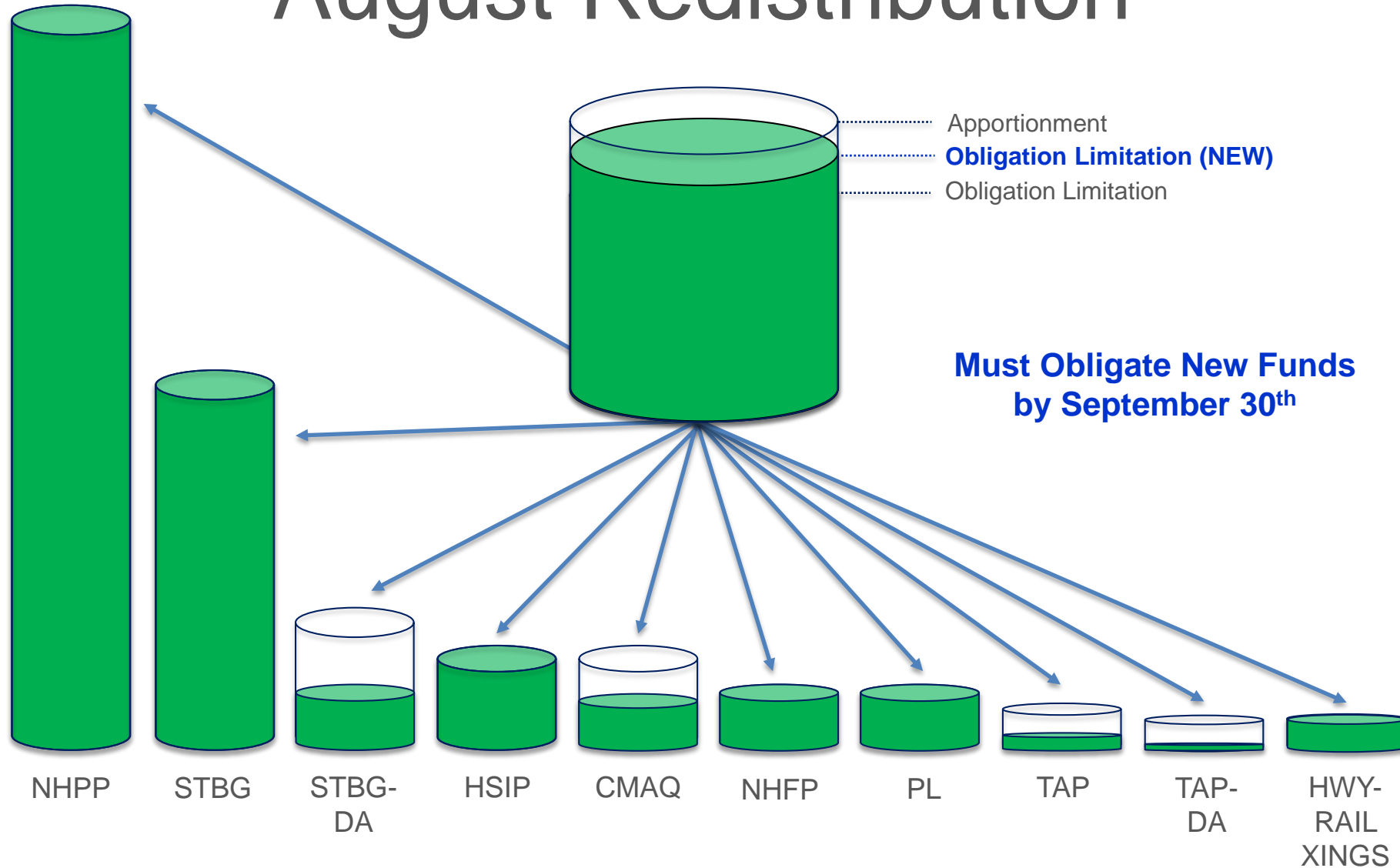
Federal-Aid Funding



Federal-Aid Funding



August Redistribution



August Redistribution

NCDOT has been successful the past several years

- 2018 - \$168M
- 2019 - \$116M
- 2020 - \$144M

Where does additional Obligation Authority go?

- Must be obligated by September 30th
- Typically goes for expenses previously paid with state funds on federal projects that have been authorized using Advanced Construction (AC)
- This “conversion” reimburses NCDOT with federal funds

Federal Authorization Techniques

Traditional Financing

Obligate all funding at once – entire authorization amount comes from State's OA

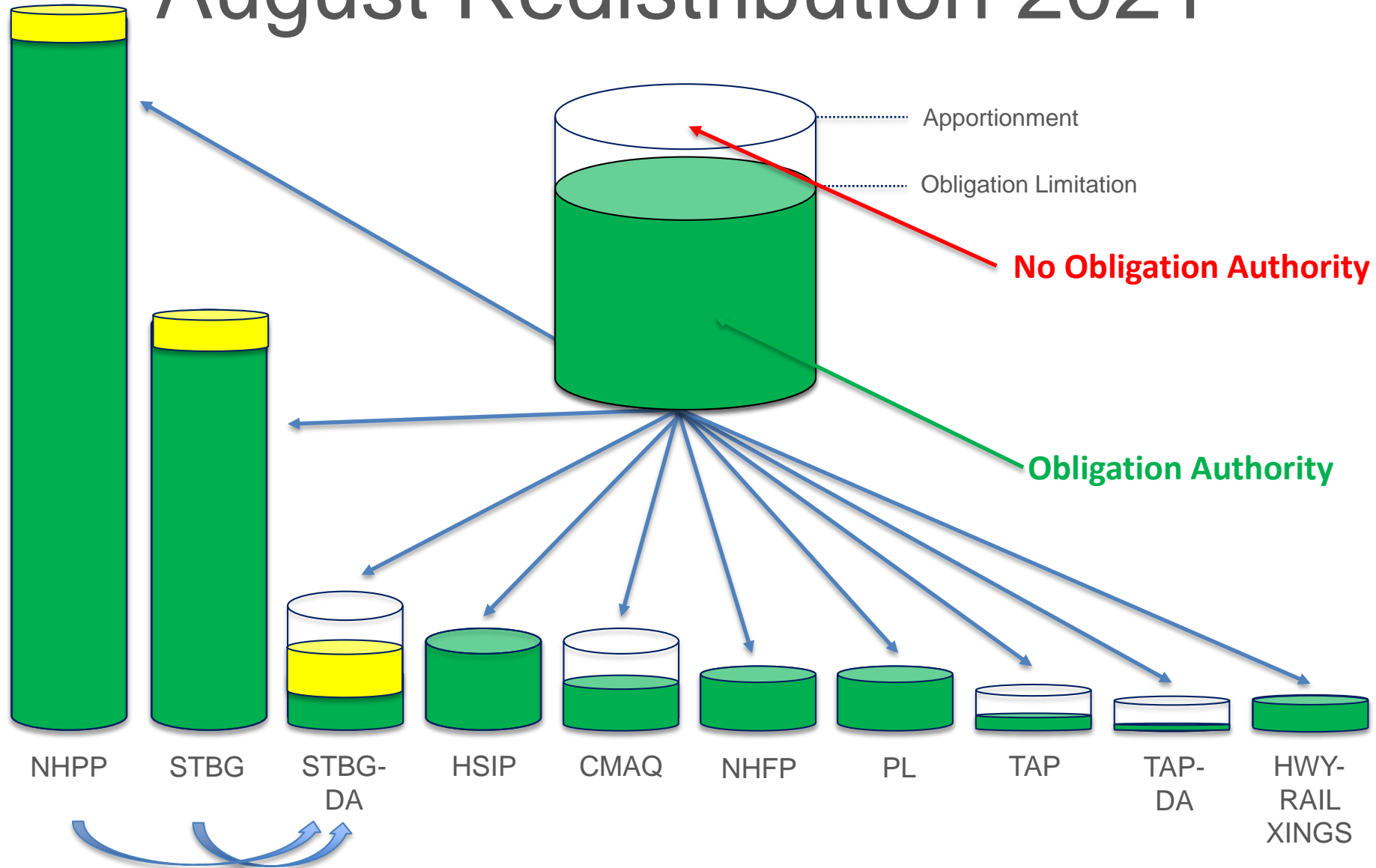
- Example: \$5M authorization for CON; Amount is subtracted from state's annual OA (~\$1.2B); limits the amount of projects that can move forward at one time
- FHWA commits to reimburse NCDOT (typically to 80%)

Federal Authorization Techniques

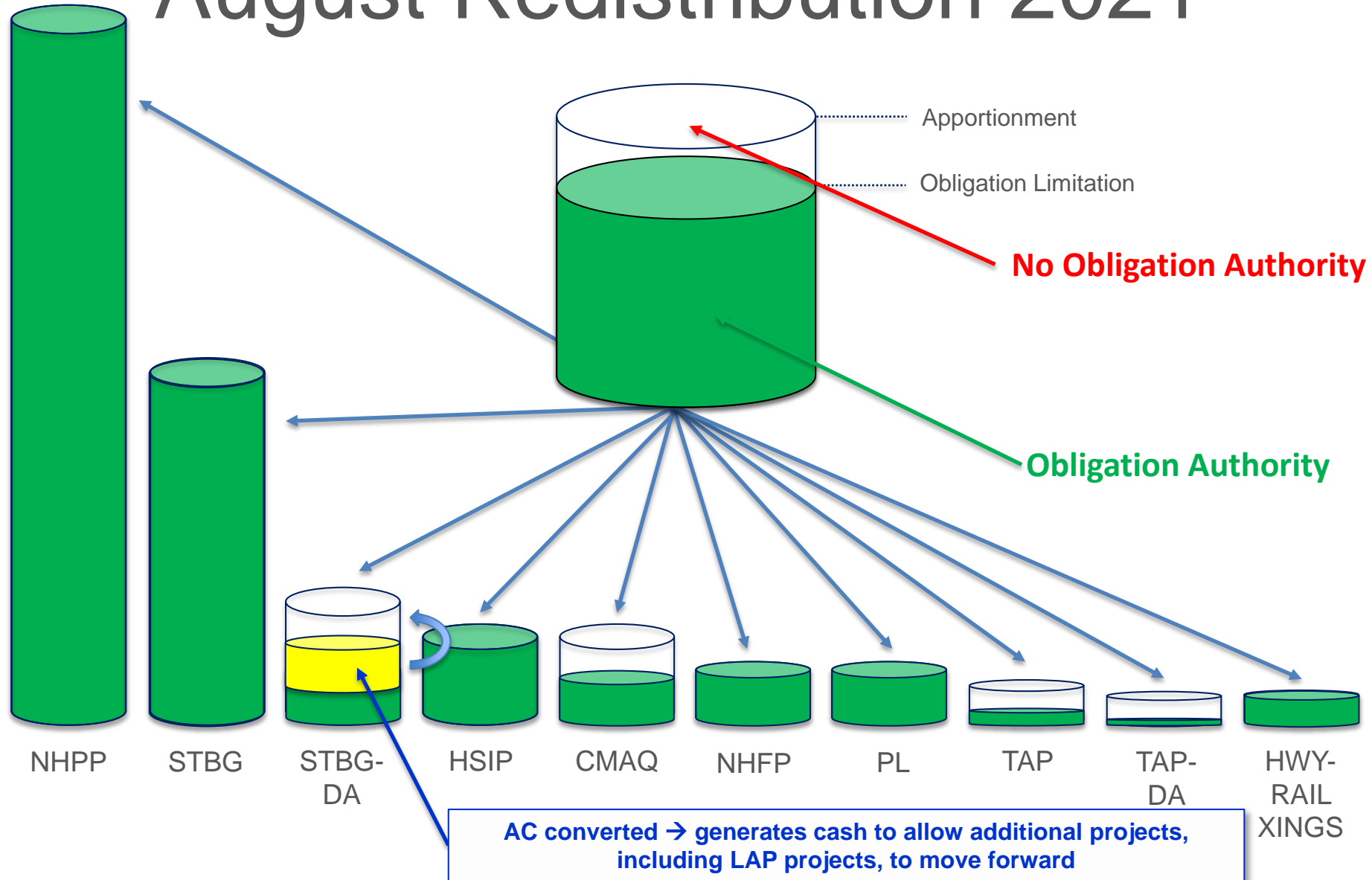
Advance Construction (AC)

- FHWA authorizes project to move forward, but does NOT commit to reimburse funds (risk)
- State initially pays for costs associated with the project
- Requests for partial reimbursement for eligible expenses (conversion) → obligates OA
- Benefit: allows NCDOT to fund more projects concurrently
- Currently have ~\$600M ACed where costs already paid for with state funds
- NCDOT is using OA to convert these ACed funds to replenish state coffers

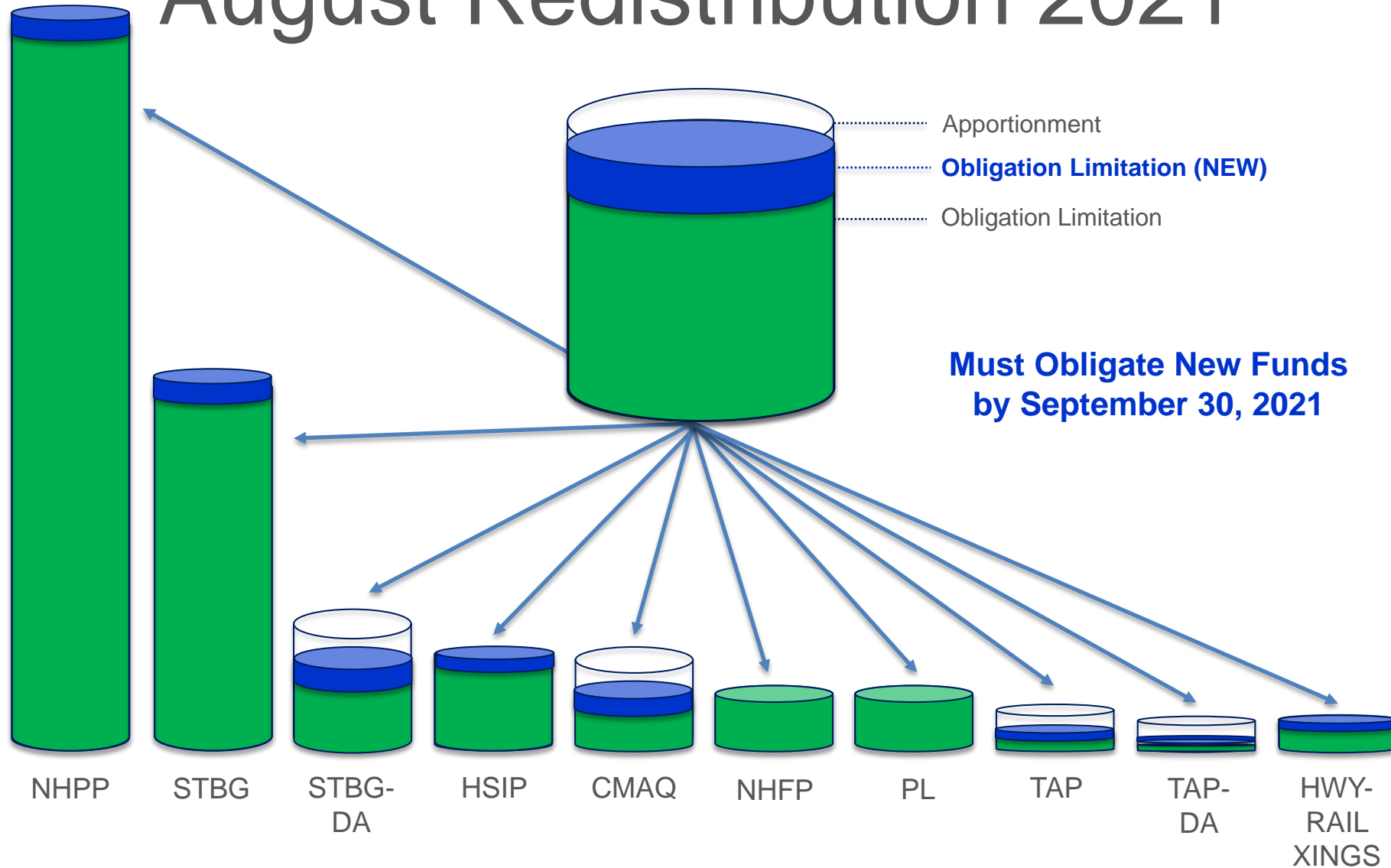
August Redistribution 2021



August Redistribution 2021



August Redistribution 2021



Questions?

