Falling Forward:
A Guide to the FAST Act

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www.T4america.org
@t4america
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.
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

- Highway Trust Fund balance
- Gas tax receipts plus general fund transfers
- Total outlays

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


In millions

- Boomers
- Gen Xers
- Millennials
- Silents

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.


PEW RESEARCH CENTER
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.
“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.”

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

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 was still under construction.

“We say that creativity starts on a blank page,” said senior vice president and general manager Andrew Kirmse. “The same is true of the space that inspires creativity.”

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 is a leader in digital pen and touch-screen technology used by ad agencies, industrial designers, architects, musicians and moviemakers who 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 their computers and tablets.
“Locations deemed walkable appreciate more than those that are car-dependent”
Trends: The Changing Transportation Market
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
FAST Act: Overview

- 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

$305 billion
FAST Act: Funding

- $305 billion
  - $281b HTF contract authority
  - $24b general appropriations

- 80-20 split between highway and 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

Billions of Dollars

- Actual
- Projected
- Outlays
- Receipts
- End-of-Year Balance or Shortfall

FAST Act: Funding

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

$70 billion general fund transfer to Highway Trust Fund
FAST Act: Funding

End of FAST Act in FY21: HTF estimated to bring in $41 billion (receipts) but spend $59 billion (outlays)
<table>
<thead>
<tr>
<th>Program</th>
<th>MAP-21 FY2015 funding (billions)</th>
<th>Avg. annual FAST Act funding (billions)</th>
<th>FAST Act increase over MAP-21 (billions)</th>
<th>Major focus of program</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway Performance Program (NHPP)</td>
<td>$21.9</td>
<td>$23.3</td>
<td>$1.4</td>
<td>Improving the condition and performance of the National Highway System</td>
</tr>
<tr>
<td>Surface Transportation Block Grant Program (STBGP)</td>
<td>$10.1</td>
<td>$11.9</td>
<td>$1.8</td>
<td>Flexible, multimodal program with aspects of local control</td>
</tr>
<tr>
<td>Highway Safety Improvement Program (HSIP)</td>
<td>$2.4</td>
<td>$2.6</td>
<td>$0.2</td>
<td>Improving safety for all road users</td>
</tr>
<tr>
<td>Congestion Mitigation and Air Quality (CMAQ) Improvement Program</td>
<td>$2.3</td>
<td>$2.4</td>
<td>$0.1</td>
<td>Improving air quality in areas with high levels of air pollution</td>
</tr>
<tr>
<td>Metropolitan Planning</td>
<td>$0.31</td>
<td>$0.34</td>
<td>$0.03</td>
<td>Supporting metropolitan planning and transportation investment decisions</td>
</tr>
<tr>
<td>National Highway Freight Program</td>
<td>-</td>
<td>$1.2</td>
<td>$1.2</td>
<td>Improving the movement of freight on the National Highway Freight Network (NHFN)—largely the National Highway System</td>
</tr>
<tr>
<td>Transportation Alternatives Program (TAP)*</td>
<td>$0.82</td>
<td>$0.84</td>
<td>$0.02</td>
<td>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</td>
</tr>
<tr>
<td><strong>Highways total</strong></td>
<td><strong>$37.8</strong></td>
<td><strong>$42.5</strong></td>
<td><strong>$4.7</strong></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>National</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$800 million</td>
<td>$850 million</td>
<td>$900 million</td>
<td>$950 million</td>
<td>$1 billion</td>
<td>$4.5 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oregon</th>
<th>FY16-20 Total</th>
<th>Total available for multimodal projects FY16-20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$79.8 million</td>
<td>$8.0 million</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Urbanized Area</th>
<th>MAP-21 FY15 Funding</th>
<th>Avg. Annual FAST Act funding</th>
<th>FAST Act increase over MAP-21</th>
<th>Major focus of program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Formula</td>
<td>$8.6 billion</td>
<td>$9.8 billion</td>
<td>$1.2 billion</td>
<td>Support planning, operations, capital investments and other functions in rural and urban communities</td>
</tr>
<tr>
<td>Transit Capital Investments</td>
<td>$1.9 billion</td>
<td>$2.3 billion</td>
<td>$0.4 billion</td>
<td>Providing capital for major capital investments on a discretionary basis</td>
</tr>
</tbody>
</table>
### FAST Act: Transit

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

<table>
<thead>
<tr>
<th>Urbanized Area</th>
<th>MAP-21 FY15 Funding</th>
<th>Avg. Annual FAST Act funding</th>
<th>FAST Act increase over MAP-21</th>
<th>Major focus of program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urbanized Area Grants</td>
<td>$4.5 billion</td>
<td>$4.7 billion</td>
<td>$300 million</td>
<td>Funds for urbanized areas over 200,000 people and states for capital, operating and planning assistance</td>
</tr>
<tr>
<td>State of Good Repair</td>
<td>$2.2 billion</td>
<td>$2.6 billion</td>
<td>$400 million</td>
<td>For rail fixed-guideway or high-intensity motorbus transit operators for maintenance, rehab, or replacement</td>
</tr>
<tr>
<td>Fast Growing/High Density</td>
<td>$526 million</td>
<td>$553 million</td>
<td>$27 million</td>
<td>Funding to urban areas within high population density states</td>
</tr>
<tr>
<td>Bus &amp; Bus Facilities Formula</td>
<td>$428 million</td>
<td>$446 million</td>
<td>$18 million</td>
<td>To replace, rehab, and purchase buses and related equipment</td>
</tr>
<tr>
<td>Bus &amp; Bus Facilities Discretionary (incl. Low-no Emissions)</td>
<td>n/a</td>
<td>$304 million</td>
<td>$304 million</td>
<td></td>
</tr>
</tbody>
</table>
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
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
T4A Helping Lead the Way

TWELVE INNOVATIONS IN TRANSPORTATION POLICY STATES SHOULD CONSIDER IN 2016
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 Polices 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
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

1st Project scoring list released on January 19

More found at the state’s website

www.virginiahb2.org/
HB 2 Process

PROJECT SCORECARD

Lynch Mill Road & Altavista Elementary School

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

<table>
<thead>
<tr>
<th>Performance</th>
<th>Project Benefit Score</th>
<th>Final Score</th>
<th>HB2 COST</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>VTrans Need: Safety: VDOT Safety Study</td>
<td>1.5</td>
<td>100.3</td>
<td>1/287</td>
<td>100.3</td>
</tr>
</tbody>
</table>

### Costs

<table>
<thead>
<tr>
<th>HB2 COST</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/287</td>
<td>1/287</td>
</tr>
</tbody>
</table>

### Score Breakdown

<table>
<thead>
<tr>
<th>Congestion Mitigation</th>
<th>Safety</th>
<th>Accessibility</th>
<th>Environment</th>
<th>Economic Development</th>
<th>Land Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% of score</td>
<td>30% of score</td>
<td>15% of score</td>
<td>10% of score</td>
<td>35% of score</td>
<td>N/A</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Daily Person Throughput</td>
<td>0</td>
</tr>
<tr>
<td>Decrease in Person Hours Delay</td>
<td>0</td>
</tr>
<tr>
<td>Reduction in Fatal and Severe Injury</td>
<td>0</td>
</tr>
<tr>
<td>Reduction in Fatal and Severe Injury Rate</td>
<td>0</td>
</tr>
<tr>
<td>Increase in Access to Jobs</td>
<td>0</td>
</tr>
<tr>
<td>Increase in Access to Jobs for Disadvantaged Populations</td>
<td>0</td>
</tr>
<tr>
<td>Improved Access to Multimodal Choices (User Benefit Value)</td>
<td>0</td>
</tr>
<tr>
<td>Air Quality (Total Benefit Value)</td>
<td>0</td>
</tr>
<tr>
<td>Acres of Natural/Cultural Resources Potentially Impacted</td>
<td>28.8</td>
</tr>
<tr>
<td>Economic Development Support (Sq. ft.)</td>
<td>0.5</td>
</tr>
<tr>
<td>Intermodal Access Improvements (Tons Benefit Value)</td>
<td>0.5</td>
</tr>
<tr>
<td>Travel Time Reliability Improvement</td>
<td>0</td>
</tr>
<tr>
<td>Transportation Efficient Land Use</td>
<td>0</td>
</tr>
</tbody>
</table>
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
STATE TRANSPORTATION
ADVOCACY, RESEARCH & TRAINING

Join T4America’s state policy network:
bit.ly/joinT4Astatenetwork

Join us in Sacramento in November 16-17

t4america.org/capital-ideas
Thank you!

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