

## **Six-Year Improvement Program Policy Related to HB2 (2014) and HB1887 (2015)**

This policy outlines how the statewide prioritization process set forth in the Board's Policy and Guidelines for Implementation of a Project Prioritization Process, adopted in June 2015 and new funding formulas will modify the programming process used to update the Six-Year Improvement Program (SYIP). The changes in the programming process outlined in this policy will help (i) improve transparency in the programming process, (ii) increase certainty for local project sponsors, citizens and businesses, and (iii) accelerate delivery of selected projects. The following summarizes changes to the programming process for updating the SYIP set forth in this policy:

- The SYIP will be updated on an annual basis, however certain funding programs may only be updated in odd- or even-numbered fiscal year updates. This change in process will be implemented over a period of time starting with the Fiscal Year 2018-2023 SYIP update;
- Changes relating to modification of the amounts of funds previously committed and programmed to projects under certain programs;
- Selection of projects for funding under the High Priority Projects Program and the Construction District Grants Program will demonstrate the Board's commitment to advance the project through construction. The Board's commitment will be demonstrated through the commitment of funds, from available resources in the applicable HB2 solicitation cycle, that when combined with other committed funds identified in the project's application, if any, fully fund the project through construction; and,
- The Board will select a preferred prioritization scenario to guide allocation of funds and consider modifications to the preferred prioritization scenario as outlined in this policy for the High Priority Projects Program and the Construction District Grants Program.
- Selection of projects for funding under the State of Good Repair will be in accordance with the priority ranking system established pursuant to §33.2-369. .

### A. Schedule for Programming of Funds by Program

Allocations available in the following funding programs will be programmed in the SYIP annually:

- State of Good Repair Program pursuant to §33.2-369;
- Regional Surface Transportation Program funds provided to metropolitan planning organizations pursuant to 23 U.S.C. §133; and,
- Congestion Mitigation Air Quality funds pursuant to 23 U.S.C. §149.

On an annual basis the Board will program one additional year's worth of funding, the sixth year of the SYIP under development except for State of Good Repair funding, and may modify programmed amounts and projects from previously adopted programs based on revised revenue projections and project priorities for the above funding programs. State of Good Repair funding will be programmed in accordance with the yet to be developed and approved policy and related priority ranking system.

Starting with the Fiscal Year 2018-2023 SYIP update, allocations available in the following funding programs will be programmed in even-numbered fiscal year SYIP updates:

- High Priority Projects Program pursuant to §33.2-370; and
- Construction District Grants Program pursuant to §33.2-371.

During even-numbered fiscal year SYIP updates, the Board will program the funds available in the fifth and sixth years of the SYIP under development. The Board may adjust the timing of funds programmed to projects selected in previous HB2 cycles to meet the cash flow needs of the individual projects, but will not (1) reduce the total amount of state and federal funding committed to an individual project unless it is no longer needed for the delivery of the project or the project sponsor is unable to secure permits and environmental clearances for the project or (2) increase the total amount of state and federal funding committed to an individual project beyond the thresholds for re-scoring identified in the HB2 Implementation Policy. The Board may only program funds from these two programs to projects selected in accordance with the Board's Policy and Guidelines for Implementation of a Project Prioritization Process and only if such projects will be fully-funded with the programming of such funds.

In the event of revenue reductions that impact the funds available to support the projects previously committed to by the Board, the Board will maintain its commitment to previously approved projects by committing funds from a subsequent HB2 solicitation cycle. In the event of revenue increases that impact the funds available for a previous HB2 solicitation cycle, the additional funds will be set-aside and made available in the next HB2 solicitation cycle.

Starting with the fiscal year 2019 update, allocations available in the following funding programs will be programmed in odd-numbered fiscal year SYIP updates:

- Revenue Sharing Program pursuant to §33.2-359;
- Transportation Alternatives Program pursuant to 23 U.S.C. §214, excluding sub-allocated funds controlled by metropolitan planning organizations; and,
- Highway Safety Improvement Program pursuant to 23 U.S.C. §148.

During odd-numbered fiscal year SYIP updates, the Board will program two fiscal years for these programs. For the Revenue Sharing Program and Transportation Alternatives Program, the funds available in the second and third year of the SYIP under development will be programmed. For the Highway Safety Improvement Program, the funds available in the fifth and sixth year of the SYIP under development will be programmed. Subject to the provisions governing each of these programs, the Board may modify programmed amounts and projects from previously adopted programs.

*B. Even-numbered fiscal year SYIP update process and schedule.*

For even-numbered fiscal year SYIP updates the Board will solicit projects and strategies from eligible applicants, screen and evaluate submitted projects and strategies, and program funds for the High Priority Projects Program and the Construction District Grants Program based on the evaluation of such projects and strategies. The solicitation, screening and evaluation of projects

and strategies will be conducted pursuant to the Board's Policy and Guidelines for Implementation of a Project Prioritization Process, adopted in June 2015.

The Board will develop of a program of projects and strategies for the High Priority Projects Program and Construction District Grants Program as follows:

- **Consideration of additional projects for evaluation.** Within two weeks of the close of the HB2 application solicitation process, the Board will be provided with a full list of projects submitted by eligible applicants. At the first Board meeting following the close of the solicitation process, members will have an opportunity to identify and discuss any potential projects that were not submitted that a member or members would like to be evaluated and considered for funding. The Secretary will coordinate with members and develop, if necessary, a list of up to two additional projects identified by members of the Board to be evaluated and considered for funding. If the Secretary develops such a list, the Board will have the opportunity at the following Board meeting to discuss and consider a resolution based on the list compiled by the Secretary.
- **Identification of #1 Board statewide priority.** Within two weeks of the close of the HB2 project solicitation process, the Board will be provided with a full list of projects submitted by eligible applicants. At the first Board meeting following the close of the solicitation process, members will have an opportunity to identify and discuss which project out of the submitted projects should be considered the number one statewide priority of the Board. At the following Board meeting, based on the discussion at the previous meeting and completion of the VTrans screening process, the Secretary will introduce a resolution identifying the number one statewide priority of the Board for discussion and consideration by the Board.
- **Development of Funding Scenarios.** At the first Board meeting following the release of the project evaluations, the Office of Intermodal Planning and Investment shall present to the Board four scenarios for their consideration. In each scenario funding will be provided to each project as necessary to fully-fund such project.
  - o Scenario #1 – Top Projects based on Total Cost. The Office will develop a conceptual program scenario where funds in the High Priority Projects Program and the Construction District Grants Program would be distributed to the projects with the highest degree of benefits relative to their total cost.
  - o Scenario #2 – Top Projects based on HB2 Cost. The Office will develop a conceptual program scenario where funds in the High Priority Projects Program and the Construction District Grants Program would be distributed to projects with the highest degree of benefits relative to their HB2 cost.
  - o Scenario #1 Alternative. The Office will modify Scenario #1, if necessary, to program funds to the number one statewide priority of the Board.
  - o Scenario #2 Alternative. The Office will modify Scenario #2, if necessary, to program funds to the number one statewide priority of the Board.
- **Adoption of the Preferred Program Scenario.** At the Board meeting following the release of the conceptual program scenarios the Board shall adopted a preferred program

scenario. This scenario will be used as the basis for the development of the Six-Year Improvement Program and may be modified by the Board at future meetings.

- **Modification of the Preferred Program Scenario.** Following the adoption of the preferred funding scenario, members of the Board will have the opportunity to identify proposed modifications to the scenario.
  - o High Priority Projects Program. A subcommittee of the Board consisting solely of at-large members will review and discuss the preferred program scenario for this program. The subcommittee may, if it deems necessary, develop a proposed set of changes to such preferred program scenario by a majority vote.
  - o Construction District Grants Program. Each district member of the Board will have the opportunity to review the preferred program scenario for the district they represent. The district member may, if it necessary, develop a proposed set of changes to such preferred program scenario.

Following adoption of the preferred program scenario, but prior to the June meeting, the Board shall discuss and consider the proposed modifications, if any, at a programmatic level for the High Priority Projects Program and at a district level for the Construction Districts Grant Program. Any adopted changes will be incorporated into the draft SYIP.

- **Adoption of SYIP.** The Board will consider the proposed Final SYIP at its June meeting.
- **Administrative Adjustment of Allocations.** Adjustment of allocations programmed to projects necessary to release allocations no longer needed for the delivery of the project and to address estimate increases within the rescoring thresholds defined in the Board's Policy and Guidelines for Implementation of a Project Prioritization Process within the same HB2 solicitation cycle will be undertaken administratively without action by the Board. The Board shall receive a report on a monthly basis regarding any such transfers.

Development of the FY2017-2022 SYIP will follow the outlined process for HB2 Program Development in accordance with the following schedule:

- October Board meeting
  - o Release of list of submitted projects
  - o Discussion of whether Board wishes to add up to 2 projects to evaluation list
  - o Discussion of potential #1 statewide Board priority out of the submitted projects
- December Board meeting
  - o Consideration of resolution to add up to 2 projects to the evaluation list, if necessary
  - o Consideration of resolution to identify a #1 statewide Board priority
  - o Consideration of amount of funds to allocate from the High Priority Project Program to the Innovation and Technology Transportation Fund
  - o Consideration of amount of funds to allocate from the Construction Districts Grant Program to the Unpaved Roads Program
- January Board meeting

- Release of project evaluations to the Board and the public. Each member will receive a binder with a project scorecard for each evaluated project.
- February Board meeting
  - Release and discussion of program scenarios and the alternative scenarios, if any.
- March Board meeting
  - Adoption of a preferred program scenario
- April Board meeting
  - Release of the Draft SYIP
- SYIP public hearings
- May Board meeting
  - Consideration of proposed modifications to the High Priority Projects Program, if necessary
  - Consideration of proposed modifications to the Construction District Grants Program for each district, if necessary
- June Board Meeting
  - Consideration of the proposed Final SYIP for adoption

C. Odd-numbered fiscal year SYIP update process and schedule.

The Board shall program funds available for the Revenue Sharing Program, Transportation Alternative Program and the Highway Safety Improvement Program in a manner consistent with the guidelines for each of these programs with the exception that two fiscal years of funding shall be programmed on a biennial basis as specified in Section A above.

In general, it is the Board's intent to demonstrate commitment to projects selected for funding in the SYIP by fully funding the projects through construction.