



COMMONWEALTH of VIRGINIA  
Commonwealth Transportation Board

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Chairman

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*Agenda item # 4*

**RESOLUTION**  
**OF THE**  
**COMMONWEALTH TRANSPORTATION BOARD**

**December 7, 2016**

**MOTION**

**Made By: Ms. Hynes, Seconded By: Mr. Williams**  
**Action: Motion Carried, Unanimously**

**Title: Six-Year Improvement Program Development Policy**

**WHEREAS**, Section 33.2-214(B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1<sup>st</sup> of each year a Six-Year Improvement Program (SYIP) of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy; and

**WHEREAS**, the Board believes it is in the public interest that transportation funds be programmed to projects and strategies that demonstrate the ability to address identified transportation needs in a cost-effective manner and that such programming of funds be prioritized to advance critical projects and strategies as quickly as possible; and,

**WHEREAS**, the past programming practice of providing partial funding to projects and funding projects by phase did not support the Board's commitment to advancing projects from development to completion and created inefficiencies in the use of transportation funding; and,

**WHEREAS**, it is the policy of the Board that any project added to the SYIP with funding from the State of Good Repair Program, High Priority Projects Program, or Construction District Grants Program shall be fully funded;

**WHEREAS**, in Chapter 726 of the 2014 Acts of Assembly the General Assembly declared the use of a statewide prioritization process for the programming of construction funds to be in the public interest; and,

**WHEREAS**, in Chapter 684 of the 2015 Acts of Assembly the General Assembly established the State of Good Repair Program (§33.2-369), High Priority Projects Program (§33.2-370), and Construction District Grants Program (§33.2-371).

**WHEREAS**, the Board adopted a policy entitled Six-Year Improvement Program Policy Related to HB2 (2014) and HB1887 (2015) regarding the development of the Six-Year Improvement Program pursuant to §33.2-214 on October 27, 2015 (Policy), and directed that the Policy shall sunset on January 1, 2017 unless reaffirmed by the Board; and

**WHEREAS**, the Board has reviewed the prior Policy and determined that amendment and adoption of a revised policy is warranted.

**NOW THEREFORE, BE IT RESOLVED**, that beginning with the Fiscal Year 2018- 2023 SYIP update, 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;
- Congestion Mitigation Air Quality funds pursuant to 23 U.S.C. §149;
- Highway Safety Improvement Program pursuant to 23 U.S.C. §148 and §154; and

**BE IT FURTHER RESOLVED**, that beginning with the Fiscal Year 2018-2023 SYIP update, allocations available in the fifth and sixth year of the SYIP under development for the following funding programs will be programmed in even-numbered fiscal year SYIP updates:

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

**BE IT FURTHER RESOLVED**, that beginning with the fiscal year 2019 update, allocations available in the first and second year of the SYIP under development for the following funding programs will be programmed in odd-numbered fiscal year SYIP updates:

- Revenue Sharing Program pursuant to §33.2-357;
- Surface Transportation Block Grant set-aside for Transportation Alternatives pursuant to 23 U.S.C. §133; and,

**BE IT FURTHER RESOLVED**, 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; and

**BE IT FURTHER RESOLVED**, it is the policy of the Board that any project added to the SYIP with funding from the State of Good Repair Program, High Priority Projects Program, or Construction District Grants Program shall be fully funded; and

**BE IT FURTHER RESOLVED**, subject to the provisions governing each of these programs, the Board may adjust the timing of funds programmed to projects from previously adopted programs to meet the cash flow needs of the individual projects, maximize the use of federal funds, or to address revised revenue projections and project priorities; and

**BE IT FURTHER RESOLVED**, that as part of the annual SYIP update, funds no longer needed for the delivery of a project will be reallocated consistent with Board's priorities for programming funds and federal/state eligibility requirements; and

**BE IT FURTHER RESOLVED**, it is the policy of the Board that any funds from the State of Good Repair Program, High Priority Projects Program, or Construction District Grants Program no longer needed for the delivery of a project and will be reserved to address budget adjustments on existing projects selected within those programs or reserved for allocation in the next solicitation cycle for those programs; and

**BE IT FURTHER RESOLVED**, the Board will develop a program of projects and strategies for the High Priority Projects Program and Highway Construction District Grants Program as follows:

- The Board may adjust the timing of funds programmed to projects selected in previous SMART SCALE 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 SMART SCALE Implementation Policy.
- The Board may only program funds from these two programs to projects selected in accordance with the SMART SCALE 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 solicitation cycle. In the event of revenue increases that impact the

- funds available for a previous solicitation cycle, the additional funds will be set-aside and made available in the next solicitation cycle.
- A project that has been selected for funding may be cancelled only by action of the Board. In the event that a project is not advanced to the next phase of construction when requested by the Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the Code of Virginia, to reimburse the Department for all state and federal funds expended on the project.
  - In cases where a project has been selected for funding which identified other sources of funding, those other funds are considered to be committed to the project so that any funds no longer needed for the delivery of the project are designated as either Highway Construction District Grant Program or High Priority Project Program funds, as applicable. Adjustments may be made to the spending priority as necessary to maximize the use of federal funds as required by the Appropriations Act.
  - In the event the CTB elects to submit up to two projects to be evaluated and considered for funding, the projects will be considered for funding in the Construction District Grant Program with the endorsement of the applicable local governments and/or the High Priority Projects Program.

**BE IT FURTHER RESOLVED**, that development of the SMART SCALE program will be completed according to the following schedule:

- October Board meeting
  - Release of list of submitted projects to the Board and the public.
  - The Secretary will coordinate with the Board 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.
- November/December Board meeting
  - Consideration of resolution based on the list compiled by the Secretary of up to two additional projects to be evaluated and considered for funding, if necessary.
  - Consideration of amount of funds to allocate from the High Priority Project Program to the Innovation and Technology Transportation Fund
  - Consideration of amount of funds to allocate from the Highway Construction Districts Grant Program to the Unpaved Roads Program
- January Board meeting
  - Release the results of the screening and analysis of candidate projects and strategies, including the weighting factors and the criteria used to determine the value of each factor no later than 30 days prior to a vote on such projects or strategies to the Board and the public pursuant to Section 33.2-214.1 D.
  - Release and discussion of a preliminary funding scenario determined as follows
    - For purposes of determining priorities, scores will be based on benefit relative to SMART SCALE cost. Scores based on benefit relative to total cost will also be provided to the Board for their consideration.

- Step 1 – Fund top scoring projects within each district eligible for Highway Construction District Grant Program funds using Highway Construction District Grant Program funds until remaining funds are insufficient to fund the next highest scoring project.
- Step 2 – Fund top scoring projects within each district that would have otherwise been funded with available Highway Construction District Grant Program funds, but were not because they are only eligible for High Priority Projects Program funds, using High Priority Projects Program funds, as long as their SMART SCALE cost does not exceed the total amount of Construction District Grant Program funds available to be programmed based on their rank.
- Step 3 – Fund projects with a benefit relative to SMART SCALE score greater than an established threshold based on the highest project benefit using High Priority Projects Program funds until funds are insufficient to fund the next unfunded project with the highest project benefit.
- Remaining balances will be reserved to address budget adjustments on selected projects according to the thresholds established in the SMART SCALE Prioritization Process or reserved for allocation in a subsequent round.
- March Board meeting
  - Modification of the base funding scenario, if necessary.
- April Board meeting
  - Release of the Draft SYIP for review and comment.
- May Board meeting
  - Consideration of proposed modifications to the High Priority Projects Program, if necessary.
  - Consideration of proposed modifications to the Highway Construction District Grants Program for each district, if necessary.
- June Board Meeting
  - Consideration of the proposed Final SYIP for adoption.

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