

Idaho Transportation Board Subcommittee on Policies  
Nampa Convention Center  
311 3<sup>rd</sup> Street, Nampa  
June 15, 2022

Idaho Transportation Board Subcommittee on Policies Chairman Bob Hoff called the meeting to order at 9:35 AM on June 15, 2022. Chairman Hoff, District 3 Member Julie DeLorenzo and District 1 Member James R. Thompson were present.

Key principal Subcommittee staff members and advisors Deputy Attorney General Tiffany Hales, Director Scott Stokes, Chief Deputy Dan McElhinney, Highway Development Administrator/Chief Engineer (HDA/CE) Blake Rindlisbacher, and Executive Assistant to the Board Lorraine Dennis were present. LHTAC Administrator Laila Kral was also present.

Subcommittee Chairman Hoff welcomed the participants.

Minutes. Member DeLorenzo made a motion to approve the minutes of the May 11, 2022, meeting as submitted. Member Thompson seconded the motion and it passed unopposed.

Transportation Management Areas. HDA/CE Rindlisbacher reported on the Transportation Management Area's geographical area and population based requirements for rural and urban areas. Rural areas are defined by populations less than 5,000, small urban areas are greater than 5,000 but less than 50,000, large urban areas are between 50,000 and 200,000, and TMAs are greater than 200,000 population. Idaho has one TMA comprised of Boise, Meridian, and Eagle, and five Metropolitan Planning Organizations.

Member DeLorenzo asked what qualifies adding a city to the TMA. HDA/CE Rindlisbacher stated the designation is done by the US Census Bureau and ITD does not anticipate any changes in Idaho. What is not clear, however, is the process used by the Bureau to make that determination.

Chairman Hoff questioned if the Locals fund includes taxes, and CAO Tolman stated it does. Data was taken from the Locals' financial reports.

State and Local Total Funding Review. Chief Administrative Officer Dave Tolman provided a review of state and local total funding based on how it is currently being distributed and with data reported a year ago. Using FY21, the state's total on-going revenues were \$733.5 million (55.1%) and the Local's was \$598.4 million (44.9%). After adjustments, the State's revenue total is \$677 million (53.1%) and the Local's \$598.4 (46.9%). Taking the adjusted revenues and calculating FY23 on-going amounts for various funding, the State's on-going total is \$841.6 million (53.1%) and the Local's \$742 million (46.9%). After applying FY22 one-time actions, the adjusted total for the State is \$991.8 million (50.7%) and Local's \$964.4 million (49.3%) for a grand total of \$1.96 billion.

Policy 4028 Background. Financial Planning & Analysis Manager Justin Collins reported the background for Policy 4028, Allocation of Federal Formula Highway Apportionments to Local Public Agencies. Some highlights include annual allocations are

designed to split funds between rural and urban jurisdictions proportionally to population and lane-miles. After deductions, 12.6% of net Federal formula apportionments are available to Local Public Agencies (LPA). Additional deductions and adjustments are made then one-half of LPA share goes to Rural (50%) and one-half goes to Urban (50%), with more deductions taken from each, such as, the TMA apportionment for Urban. In FY21, the Rural and Urban apportionments were \$18.25 million each. The FY23 estimate for Rural and Urban apportionments is \$22.6 million each.

FP&A Manager Collins recapped Local comments heard from the subcommittee's Listening Workshop last fall. Interest was for additional funding to address deficient bridges, and an increase in Federal funding to Non-TMA Urban areas. He presented sub-allocations for TMA, large Urban, Small Urban, and Rural based on FY23 estimates, totaling \$86.9 million. Rural receives \$22.5 million and other Urban areas \$11.2 million after the TMA required share (1/2 of Urban) of \$11.3 million is removed.

Policy Options. Financial Planning & Analysis Manager Justin Collins presented ITD's proposed idea for an Annual Urban Adjustment (AUA). It would keep Policy 4028 at 12.6%, distribute Urban 50% share by population, and ITD would supplement the federally required TMA sub-allocation from any area portion. Using FY23 estimates, and current population data, the modified distribution to the TMA would be \$7.6 million, Large Urban \$9.5 million, and Small Urban \$5.4 million. ITD would supplement (applying the AUA) \$3.7 million to TMA meeting the required share of \$11.3 million. Rural areas continue to receive \$22.5 million. Total Federal distribution to Locals with the AUA and additional programs is \$94.8 million.

Discussion. Member DeLorenzo questioned if the AUA amount would change if there was another TMA. FP&A Collins stated yes it would. It would be a variable applied annually to the Urban's share. Member DeLorenzo commented she liked the idea of reviewing it annually, and for population and lane miles.

Chairman Hoff asked if the \$200 million received for FY23 would be applied. FP&A Collins clarified that it would not because that is legislatively approved State funds. Policy 4028 only addresses Federal funds.

Member DeLorenzo questioned if the Board would approve the AUA annually. FP&A Collins replied it could be done that way or staff could revise the policy to include a variable.

Chairman Hoff questioned if the AUA amount could be changed. FP&A Collins stated it can, but it also impacts the Large Urban and Small Urban areas.

Member DeLorenzo commented she believes it is a reasonable step and a good start, and that it should be tracked. Idaho is one of the few states within WASHTO who share funding with the Locals.

Member Thompson stated staff did a great job in presenting the information and he supports the proposed idea.

Member DeLorenzo made a motion, seconded by Member Thompson, to concur with staff's funding formula proposal with the Annual Urban Adjustment. She then amended the

motion to also approve taking it to the full Board for consideration – Member Thompson seconded it.

Staff will revise Policy 4028 and present it to the Board for its approval.

The meeting adjourned at 10:16 A.M.

Signed

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Respectfully submitted by:

LORRAINE DENNIS

Executive Assistant

Idaho Transportation Board

Approved: 2/23/23