

PROGRAM ALLOCATION GUIDE

Table of Contents

Introduction----- Process Description and Mapping

Section 1----- Distribution Factors

Section 2----- Apportionments

Section 3----- Obligating Constraints

Section 4----- Federal Funds

Section 5----- State Funds

Section 6----- District Dedicated Revenue

Section 7----- Schedule 'A' Process

Exhibits----- Fund Matrixes and STP Logic

General Introduction

This guide describes the processes, assumptions, and requirements used to develop the Work Program Fund Allocations of the Florida Department of Transportation.

It is best viewed as the funding mechanism which implements the department's Program Plan. The funding plan is transmitted in the form of a document entitled "Schedule A" (see sections 4 and 5). Schedule A specifies and distributes the estimated funds legally available in the current and ensuing five years.

Legally apportioned funds are subsequently constrained by Obligating Authority (OA) limits imposed by the Congress and the Federal Highway Administration.

The department uses the term 'Obligating Authority Constraint' to designate the shortfall, i.e., the difference between Apportionments and Obligating Authority.

OA constraints are not shown in Schedule A; rather, they are displayed in the Program Accomplishment Report (PAR) as a deduction from Apportionments. OA is not distributed by law or formula: it is strategically assigned to protect or optimize program and production levels. Section 3 explains the Obligating Authority Plan.

PROGRAM ALLOCATION GUIDE

Section 1 -- Distribution Factors

The model, Master Tables - Fund Distribution Factors, performs the following functions:

- 1 Records the fund distribution factors which are used to allocate work program funds in accord with state and federal law and policy. The legal authority and method for each fund is detailed in Exhibits 1-3 in Appendices, Work Program Fund Allocations.
- 2 The Statutory Formula table is updated annually from data supplied by the Finance and Revenue staff of the Financial Development Office. Currently, the data is a spreadsheet titled "Schedule A Allocations" which details population and collections by county, and then rolls up the information by District. The new formula is applied to future years only, since the current year went to public hearing under the old formula.
- 3 The Population Shares table reflects data from the 2000 U.S.Census.
- 4 The Resurfacing Needs table is provided by the Program and Resource Allocation Staff in the Office of Financial Development. The data is based upon the latest resurfacing need inventory and analysis. Detail data has been arrayed to show the needs of individual urban areas greater than 200,000 in population.
- 5 The Congestion Mitigation (CM) table is based upon specific provisions in SAFETEA-LU and is related to population in the air quality non-attainment areas weighted by a pollution severity rating factor. The table is updated when attainment status changes. The State cannot reasonably forecast future Federal allocation levels since it is impacted by changes in "attainment" and "non-attainment" status in individual areas across the nation. The table is used to distribute CM Funds through FY 2009. CM funds are distributed by Statutory Formula for FY 2010 and beyond.

PROGRAM ALLOCATION GUIDE

- 6 The Rural table is used to distribute the SN suballocation of the Surface Transportation Program (STP). SN replaced the old Federal Secondary System funds by freezing its level of funding in TEA 21. By department policy, SN funds are distributed to districts based upon their share of State Rural System Centerline Miles. The table is adjusted annually with the annual Transportation Planning Statistics report.
- 7 The DIHT(State 100% in-house product support and indirect cost) table is used when computing the district's individual shares of DS funds. Beginning in 1996 the DIH shown in Schedule A is based upon direct cost only. In the DS formula it was the intent of the Department to distribute DS based upon the total of available district DS plus total DIHT, including overhead, multiplied by the statutory formula and less the individual district's DIHT. The DIHT table combines each districts direct and indirect costs.
- 8 The High-Risk Rural Roads (HRRR) are distributed to districts based upon their share of State Rural System Centerline Miles in the Rural table.
- 9 The Safe Route to School Funds (SR2N,SR2S and SR2E) are distributed by number of students enrolled in primary and middle schools (K-8Grade).

Section 2 -- Apportionments

The Schedule of Available Funds, performs the following functions.

- 1 Records estimated SAFETEA-LU Apportionments using the Federal Aid Revenue Forecast prepared by Office of Financial Development, DOT.
- 2 Actual current year Apportionments are recorded when received from FHWA on, or about, October, annually.
- 3 The HP and HR program percentage levy, which is required by SAFETEA-LU to be deducted from the Apportionments, is performed. Funds legally excluded from the levy are indicated by shading.
- 4 The resulting adjusted appropriation is shown in federal dollars .
- 5 Any approved SAFETEA-LU transfers on the federal books, made at the state's request, are shown in federal dollars.
- 6 Releases of Obligating Authority versus Apportionments are also recorded.
- 7 The various suballocations of the Surface Transportation Program required by SAFETEA-LU are computed. Exhibit 3, provides a detailed suballocation logic diagram.

PROGRAM ALLOCATION GUIDE**Section 3 -- Obligating Authority Constraints**

The Obligating Authority Plan, performs the following functions:

- 1 Records the estimated Obligating Authority provided by the Office of Financial Development, DOT.
- 2 Updates the current year when a formal obligating release letter is received from the FHWA.
- 3 The OA constraints are applied against the programs in such a fashion as to preserve previously approved projects and production levels wherever possible, in accord with the strategic and policy actions of the DOT Executive Board.
- 4 The model contains internal balancing controls to show that no more, or no less, than the authorized constraints are assigned.

Section 4 -- Federal Funds

The model, Schedule A - Federal Funds, produces the federal funding portion of Schedule A and performs the following functions:

- 1 Records the balance forward in each federal fund from the Federal Aid Reconciliation model (FRECON.XLS) and any subsequent adjustments thereto.
- 2 Records current year apportionments provided by FHWA and Department future year estimates of apportionments. Distributes same in accord with law and department policy, respectively.
- 3 Constructs upload records to record these distributions in the Department's Program Accomplishment Report (PAR).

PROGRAM ALLOCATION GUIDE

Section 5 -- State Funds

The model, Schedule A - State Funds, provides that portion of Schedule A which deals with non-federal funds and performs the following functions:

- 1 Records or calculates the distribution of non-federal funds under the control of the department. These include the State Transportation Trust Funds, and Bond funds.
- 2 Right of Way and Bridge Bonds funds (BNDS and BNCA), and state funds reimbursed by bonds (DSB) are provided by the Office of Financial Development.
- 3 Public Transportation needs based programs, Intermodal Rail (DIM), required uses of 100% State (DS) and District Dedicated Revenue (DDR), and the Ports program (PORT) are developed by the Public Transportation staff in conjunction with the Office of Financial Development.
- 4 The Transportation Disadvantaged Commission funding detail is provided by their staff.
- 5 District Dedicated Revenue (DDR) is a straight-forward representation of SCETS tax actual receipts less commitments plus estimated receipts -- attributed to individual counties within the department's districts. Schedule A -- State Funds reflects the district amounts, whereas the DDR Report shown in Section 6 provides the county detail. Beginning 2012 the department has made a policy decision to soft match SU Federal Fund. Since SU fund will be soft matched, the need to use DDR to match SU is eliminated.
- 6 All other program levels are developed by the Office of Financial Development. Once these levels have been represented as supported in the Finance Plan of the Office of Financial Development and the Comptroller's Cash Forecast they are distributed in Schedule A - State Funds, in accordance with law and policy.
- 7 100% State Funds for the Districts (DS) are comprised of needs-distributed or adjustment components (Resurfacing, Non-Formula DS and Rental car fees) and a remainder, known as Regular DS distributed by Statutory Formula.

PROGRAM ALLOCATION GUIDE**Section 6 -- District Dedicated Revenue (DDR)**

The DDR model performs the following functions:

- 1 The report is designed to show sources and uses of SCETS tax revenues by county.
- 2 The DDR report is linked to the DDR estimate spreadsheet provided by the Financial Development Office.
- 3 The model is also data-linked to a "Use" file downloaded from the WPA data base on the mainframe.
- 4 DDR data is dependent upon receipt of final year-end data from the Department of Revenue, but is usually available on, or about, August 15 of each year.

**Section 7 -- Schedule 'A' Process
Work Program Fund Allocations**

Contains basic explanations of the legal and policy basis for fund allocations and distributions used in Schedule A.

Exhibits -- Funds Matrixes and Logic

Current allocated funds are listed and described in the exhibits to the procedure.