



1

# Show me the Money

Connecting Planning and Programming  
Virginia's SMART SCALE

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2

## Overview

- SMART SCALE Overview
- SMART SCALE Process Review
- Competitive Program Characteristics
- Strategies for Practical Success

3

## SMART SCALE

- SMART SCALE is a process that helps Virginia meet its most critical transportation needs using limited tax dollars.
- It evaluates potential transportation projects based on key factors like how they improve safety, reduce congestion, increase accessibility, contribute to economic development, promote efficient land use, and affect the environment.
- Transportation projects are scored based on an objective, outcome-based process that is transparent to the public and allows decision-makers to be held accountable to taxpayers. Once projects are scored and prioritized, the Commonwealth Transportation Board (CTB) has the best information possible to select the right projects for funding.

4

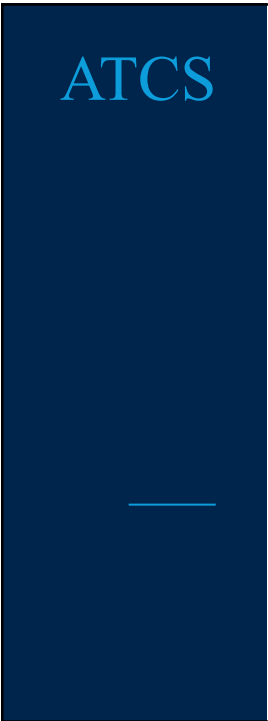


# SMART SCALE

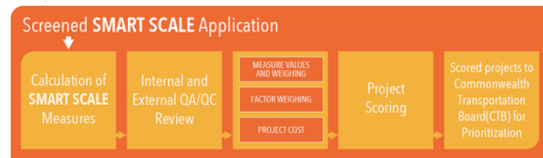


- Funding for project prioritization comes from two main pathways—the construction District Grants Program (DGP) and the High-Priority Projects Program (HPPP)
- The DGP is open only to localities. Projects applying for DGP funds compete with other projects from the same construction district.
- Projects applying for HPPP funds compete with projects from across the commonwealth. A project sponsor may request funding under both program

5



# SMART SCALE



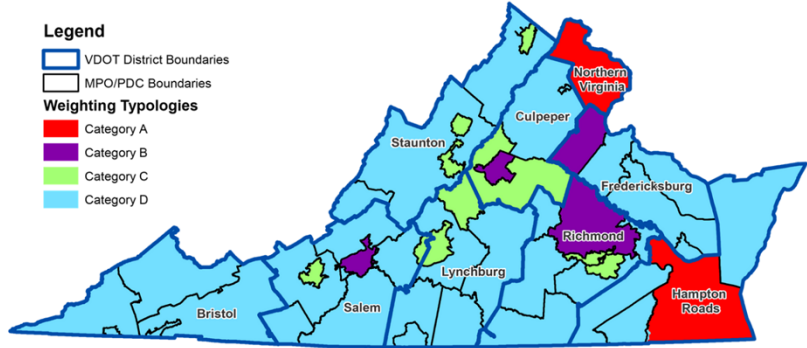
FACTOR AREAS	MEASURE ID	MEASURE NAME	MEASURE WEIGHT
Safety	S.1	Equivalent property damage only (EPDO) of Fatal and Injury Crashes*	70 percent
	S.2	EPDO Rate of Fatal and Injury Crashes	30 percent
Congestion mitigation	C.1	Person Throughput	50 percent
	C.2	Person Hours of Delay	50 percent
Accessibility	A.1	Access to jobs	60 percent
	A.2	Access to jobs for disadvantaged persons	20 percent
	A.3	Access to multimodal choices	20 percent
Environmental quality	E.1	Air quality and environmental effect	100 percent
	E.2	Impact to natural and cultural resources	0 percent - Subtract up to 5 points
Economic development	ED.1	Project support for economic development	60 percent
	ED.2	Intermodal access and efficiency	20 percent
	ED.3	Travel time reliability	20 percent
Land use	L.1	Transportation-efficient land use	50 percent
	L.2	Increase in transportation-efficient land use	50 percent

\*100 Percent for transit and Transportation Demand Management projects

6

# ATCS

## SMART SCALE



FACTOR	SAFETY	CONGESTION MITIGATION	ACCESSIBILITY	LAND USE	ECONOMIC DEVELOPMENT	ENVIRONMENTAL QUALITY
Category A	15 percent	45 percent	25 percent	*	5 percent	10 percent
Category B	20 percent	25 percent	25 percent	*	20 percent	10 percent
Category C	30 percent	20 percent	15 percent	*	25 percent	10 percent
Category D	40 percent	10 percent	10 percent	*	30 percent	10 percent

\*Up to 100% added to the benefit score based on normalized measure performance

7

# ATCS

## Process Review

- Urban Projects vs Rural Projects
- Project Size
- Leveraging Funds



Urban vs. Rural



Project Size



Leveraged Funding

8

## Is there an urban preference for funding projects?



- The number of projects submitted is fairly evenly distributed between urban and rural areas
- Aside from Round 2, the number of funded projects is fairly evenly distributed between urban and rural areas

	# Submitted		# Funded	
	Urban (Type A/B)	Rural (Type C/D)	Urban (Type A/B)	Rural (Type C/D)
Round 1	50% (144)	50% (144)	49% (83)	51% (86)
Round 2	50% (202)	50% (202)	61% (84)	39% (53)
Round 3	46% (199)	54% (234)	55% (54)	45% (44)
Round 4	44% (175)	56% (222)	52% (81)	48% (75)
Round 5	48% (189)	52% (205)	48% (73)	52% (79)
Overall	47% (900)	53% (1,015)	53% (377)	47% (335)

9

## Is there an urban preference by funding program?



- The total funded amounts in DGP and HPPP are higher in urban areas, particularly in Rounds 2 and 3

	\$ Funded DGP		\$ Funded HPPP	
	Urban (Type A/B)	Rural (Type C/D)	Urban (Type A/B)	Rural (Type C/D)
Round 1	58% (\$580M)	42% (\$420M)	80% (\$784M)	20% (\$196M)
Round 2	70% (\$221M)	30% (\$95M)	95% (\$643M)	5% (\$34M)
Round 3	60% (\$227M)	40% (\$152M)	91% (\$330M)	9% (\$33M)
Round 4	59% (\$470M)	41% (\$326M)	73% (\$358M)	27% (\$132M)
Round 5	54% (\$594M)	46% (\$506M)	75% (\$350M)	25% (\$117M)
Overall	58% (\$2.1B)	42% (\$1.5B)	83% (\$2.5B)	17% (\$500M)

10

## Urban Preference Findings



- ✓ The number of projects submitted and the number of projects funded\* are fairly evenly distributed between urban and rural areas
- ✓ The amounts submitted and funded are higher in urban areas, although the ratio of submitted and funded amounts are similar
  - Significant difference in HPP (83% vs. 17%)
  - Funding for projects in rural areas has increased in Rounds 4 & 5
- ✓ The success rates based on the number of projects is higher for urban projects and the success rates based on the amounts funded are even

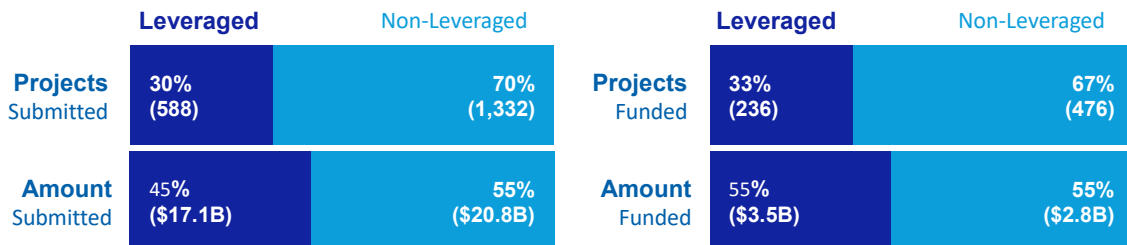
\* *Funded represents projects recommended for funding in the staff scenario*

11

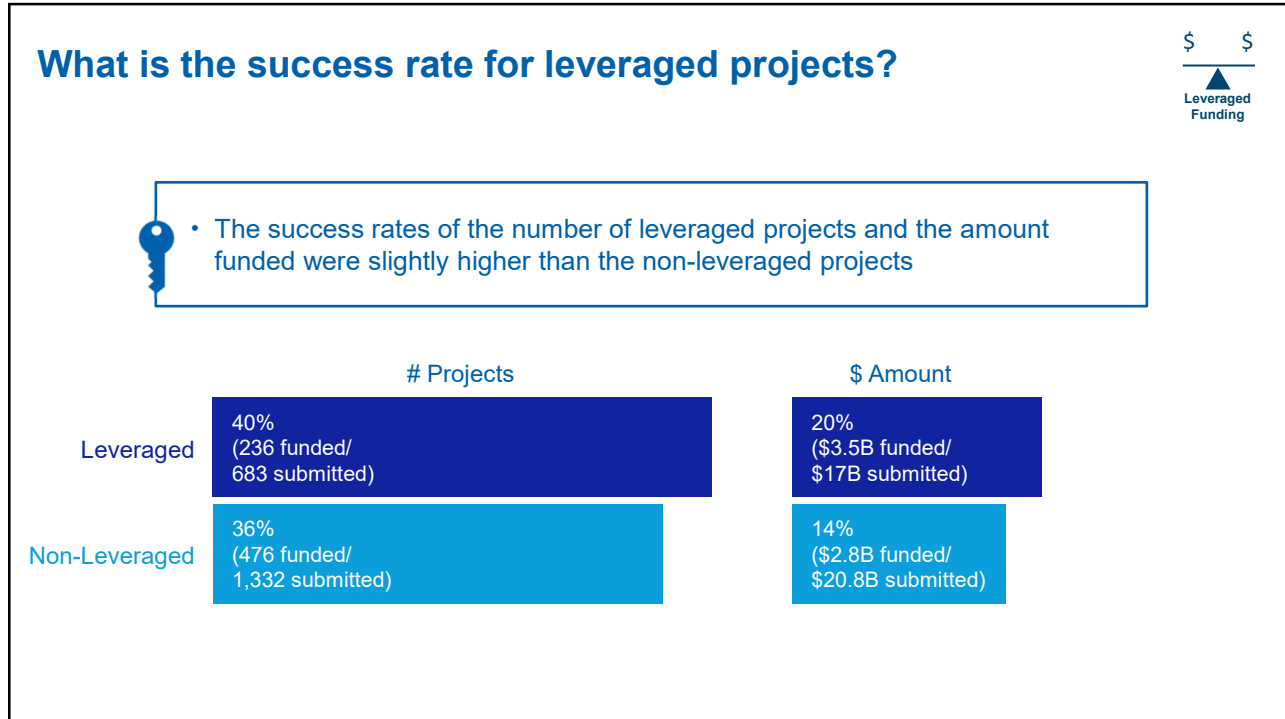
## How many projects have leveraged funding?



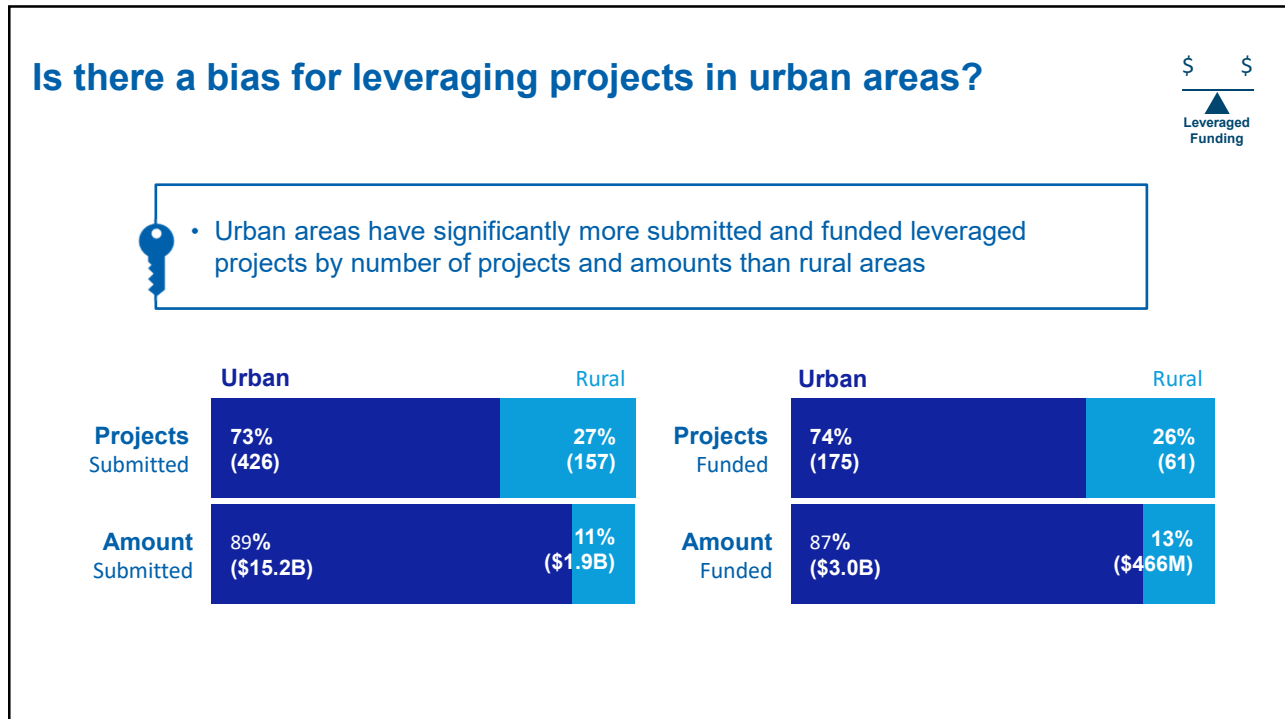
- One third of funded projects have leveraged funding, representing 55% of the total amount funded



12



13



14

## Does leveraging help larger projects?

\$ \$  
▲  
Leveraged  
Funding

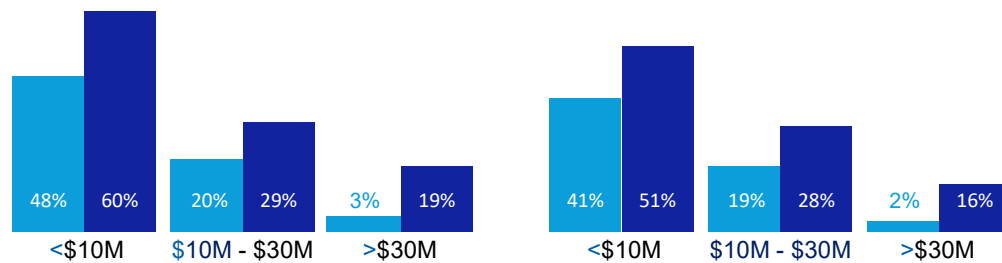


- The success rate for leveraged projects is consistently higher than non-leveraged projects in each tier but at least 6X higher for projects in greater than \$30M tier

Non-Leveraged  
Leveraged

# Funded

\$ Funded



15

## Leveraged Project Preference Findings

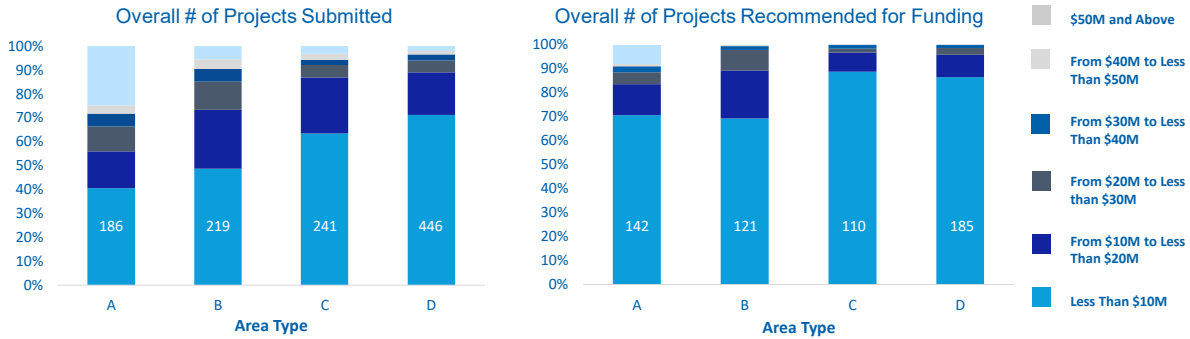
\$ \$  
▲  
Leveraged  
Funding

- ✓ One third of funded projects have leveraged funding, representing 55% of the total amount funded
  - \$3.5B in SMART SCALE funding has funded over 3X in total project cost (\$11.5B)
- ✓ The success rates of the number of leveraged projects and the amount funded were slightly higher than the non-leveraged projects
- ✓ The success rate for the number of urban leveraged projects was slightly higher than rural leveraged projects but lower for amount funded
- ✓ Leveraged projects are at least 6X more successful for projects with SMART SCALE funding equal to or greater than \$30M

16



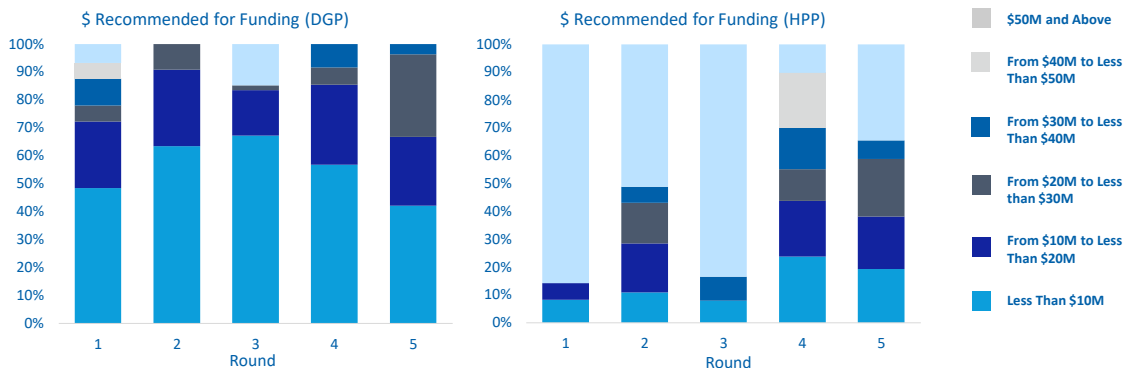
## Are small projects being disproportionately recommended for funding?



- Overall, more lower-cost projects are being recommended for funding compared to the number of submitted projects.
- The average project amount recommended for funding is \$8.9 million. The average amount requested for all projects is \$19.8 million.

17

## What is the size distribution of projects by cost?

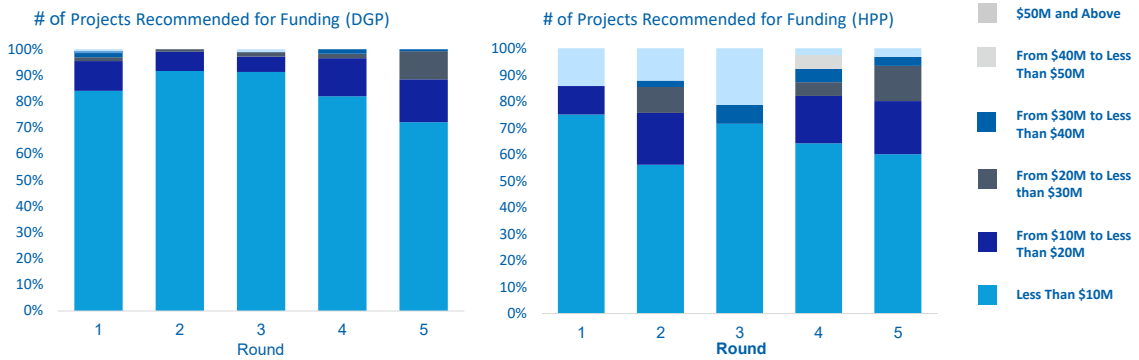


- DGP has the smallest projects (less than \$10M) getting most of the funding compared to other size projects.
- In HPP, a few large projects have received most of the recommended funding.

18

## By round, what size projects are being recommended for funding in DGP vs. HPP?

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- Overall, the majority of projects recommended for funding in both DGP and HPP are small (less than \$10M).
- More small projects (less than \$10M) are being recommended for funding in DGP than in HPP.

19

## PROJECT SIZE BIAS – KEY FINDINGS

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- ✓ Across the five rounds, a majority of the projects recommended for funding (78% of projects) were less than \$10m, but these represented only 33% of total funding.
- ✓ As a percentage, the number of projects recommended for funding greater than \$10m is increasing (rounds 3-5).
- ✓ The average total amount requested decreased between rounds 1 and 4.

20

## Connecting Planning and Programming

### Goals and Objectives

#### Planning

- Identify needs
- Evaluate solutions

#### Programming

- Prioritize
- Select
- Allocate

21

## Competitive Funding Programs

- Application based
- Scoring systems or frameworks used to:
  - Evaluate projects based on criteria and/or performance measures
  - Guide project selection and downstream programming decisions
  - Advance policy goals, priorities, and transportation needs
- Connecting planning needs to goals and priorities through competitive project prioritization and selection is critical to linking planning and programming

22

## ATCS

### Challenges

- High competition
- Limited resources
- Require strong knowledge of planning, how goals and objectives are measures, data analysis, and story telling
- Equity
  - Urban v. rural needs (i.e., congestion, safety, land use, economic development)
  - Multimodal view
  - In leveraged funding situations, may favor projects (applicants) with greater funding resources
- No guarantee of funding, resulting in sunk time, effort, and costs

23

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### Programming in a Competitive Environment

- Balance transparency, flexibility, and available funding to advance projects
- Challenges
  - Maintaining competitive structure and integrity with flexibility/agility
  - Managing multiple funding streams against project selections
    - Sources
    - Eligibility
    - Amount
    - Obligation and expenditure requirements
  - Ensuring project readiness
  - Maintaining public and stakeholder trust
  - Adapting to evolving needs and timelines

24

## ATCS

### Programming Strategies

- Programming “rules”
  - Develop detailed technical guidance on how funds will be programmed
  - Keep as straight forward/simple as possible
- Funding
  - Develop and publish fiscally constrained funding availability
  - Ensure stakeholders understand whether federal, state, and/or some combination may be programmed
  - Consider whether competitive program should specify colors of money and/or details concerning program or fund source
    - Prescriptive requirements reduce flexibility and adaptability

25

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### Programming Strategies (cont.)

- More on funding
  - Consider how to adapt to changing schedules, estimates, etc., particularly in the context of obligation and expenditure of federal funds
- Consider an equitable competitive environment among a variety of applicants
  - Do applicants (localities, MPOs, etc.) have opportunities to address varied needs (e.g., urban congestion v. rural safety v. future economic development/access needs)?
  - Leveraged funds availability/accessibility
- Show your work!
  - DOT/grantor
  - Applicants

26

