



## **Six Year Program Update: Frequently Asked Questions**

(Last Updated: April 9, 2020 – content subject to change due to COVID-19)

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### **Regional Context**

#### **Q: What are NVTA's primary responsibilities?**

A: Created by the Virginia General Assembly in 2002, NVTA is a regional governmental body with two primary responsibilities – to develop and maintain the long-range transportation plan for Northern Virginia, and to prioritize/program its regional revenues for multimodal transportation projects in Northern Virginia. The General Assembly established NVTA's revenue stream in 2013 through Virginia House Bill 2313. (See below for more details on NVTA's revenues.)

#### **Q: What is TransAction, and why is it important?**

A: TransAction is the name of NVTA's long-range transportation plan for Northern Virginia. TransAction addresses regional transportation needs through 2040. The Plan focuses on eleven major travel corridors in Northern Virginia, and identifies over 350 candidate regional projects for future transportation investments to improve travel throughout the region. NVTA adopted the current version of [TransAction](#) in October 2017, and updates TransAction every five years. NVTA kicked off the next TransAction update in January 2020, and will adopt it by the end of 2022. NVTA can only use its regional revenues for projects (or subsets/combinations thereof) included in the [project list](#) associated with the current version of TransAction. Please visit the TransAction [website](#) for more details.



**Q: What is NVTA's Six Year Program, and how does it relate to TransAction?**

A: NVTA's Six Year Program includes selected TransAction projects, funded with NVTA's regional revenues. NVTA adopted its inaugural Six Year Program in June 2018, using NVTA's regional revenues for FY2018 through FY2023. NVTA updates the Six Year Program every two years, primarily adding regional revenues for the fifth and sixth years, in this case FY2024 and FY2025. The current update, when adopted by NVTA, will be referred to as the FY2020-2025 Six Year Program. (Prior to the FY2018-2023 Six Year Program, NVTA adopted three funding programs for its FY2014 revenues, FY2015-2016 revenues, and FY2017 revenues.) For a full listing of NVTA-funded projects, please [visit this webpage](#).

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**Eligibility**

**Q: Who is eligible to apply for NVTA regional revenues?**

A: NVTA's member jurisdictions, comprising the four counties and five cities in Northern Virginia, are eligible to apply. These include the Counties of Fairfax, Loudoun, Arlington and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. In addition, the five largest towns in Northern Virginia (Towns of Dumfries, Herndon, Leesburg, Purcellville and Vienna), transit agencies, and selected Commonwealth/regional agencies may apply. Smaller towns may apply, but only through their respective county, not directly to NVTA. Private corporations, associations, and individual citizens are not eligible to apply. Eligible jurisdictions and agencies decide which project applications to submit to NVTA, in response to NVTA's Call for Regional Transportation Projects. Applicants have their own local processes for deciding which projects to submit to NVTA, but each must provide a formal resolution from its Governing Body for each project application.

**Q: Which projects are eligible for NVTA regional revenues?**

A: Projects (or subsets/combinations thereof) included in the [project list](#) associated with the current version of [TransAction](#), the long-range transportation plan for Northern Virginia.

**Q: Can NVTA fund projects outside Northern Virginia?**

A: Generally, no, even though such projects are included in TransAction. There are a couple of exceptions. First, NVTA can fund projects that extend beyond Northern Virginia in order to be functionally complete, provided this is not substantive. For example, NVTA has funded purchase of a bus that provides expanded transit service from Northern Virginia to Washington D.C. Second, NVTA can fund projects that extend more substantively beyond Northern Virginia, providing there is a proportionate cost-sharing arrangement with neighboring jurisdictions. (continued following page)



For example, NVTA has funded power traction projects for Metrorail lines, for which Maryland and Washington D.C. contributed their share. It is important to note that revenues generated in Northern Virginia that fund NVTA projects must provide congestion relief for Northern Virginians.

**Q: Can NVTA use regional revenues to maintain infrastructure or subsidize transit services?**

A: No. NVTA can generally only fund new and expanded infrastructure projects. NVTA can fund rolling stock to expand bus and rail service, but cannot fund replacement of rolling stock. NVTA can fund storage/maintenance facilities associated with expansion of transit services. Each applicant must certify that, if a funding application is successful, it will meet the cost of operations and maintenance for the useful economic life of the project.

**Q: Is there any limit to the number of applications that a jurisdiction or agency can submit?**

A: No. NVTA does not currently set limits on the number of applications, nor the associated funding requests. NVTA encourages potential applicants to be realistic and strategic when deciding what to submit, with a focus on the factors that make a strong project application. NVTA provides an early ballpark estimate of the available funding. The FY2020-2025 Six Year Program is NVTA's most oversubscribed funding program to date.

**Q: Which modes does NVTA fund?**

A: NVTA is truly multimodal in the projects it funds. Recent examples include highways, bus, bus rapid transit, rail, parking, bicycle, pedestrian and transportation technology. In addition, NVTA could potentially fund eligible air and waterborne infrastructure projects, together with a range of emerging modes.

**Q: Can NVTA fund studies?**

A: It depends on the scale of the study. NVTA prefers eligible applicants to fund their own studies to evaluate concepts and determine feasibility. NVTA will occasionally fund studies for projects whose scope crosses multiple jurisdictions, or would have a widespread regional impact. Generally, NVTA funds project phases such as engineering/design, right of way/utility relocation, construction, and asset acquisition (individual or multiple phases.)

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## **Overview of NVTA's Project Selection Process**

### **Q: How does the Six Year Program relate to TransAction, NVTA's long-range transportation plan?**

A: NVTA's two primary responsibilities are development of, and updates to, (a) TransAction and (b) NVTA's Six Year Program. Projects funded in the Six Year Program (using NVTA's regional revenues) must be included in the analysis and project list for the current version of TransAction. However, inclusion of a project in TransAction does not guarantee NVTA will use its regional revenues to fund the project.

### **Q: How often does NVTA update the Six Year Program?**

A: Every two years. Initially, NVTA adopted a series of one or two-year funding programs prior to the adoption of its inaugural Six Year Program for FY2018-2023. The FY2020-2025 Six Year Program will update NVTA's FY2018-2023 Six Year Program.

### **Q: What does NVTA consider in its project selection process?**

A: Broadly, there are four (unweighted) components in NVTA's holistic approach to project evaluation and selection: eligibility, quantitative factors, qualitative factors and public comment. Preceding FAQs describe eligibility requirements. The following FAQs describe the other three components.

### **Q: How does NVTA use the project application and supporting materials in its evaluation?**

A: Applicants must submit their project applications through a password-protected online portal, which ensures a standardized set of responses is available to NVTA for consistent evaluations using quantitative and qualitative factors. Applicants must upload evidence of their governing body's resolution in support of each application, and certify they will adhere to some standard business practices should their project be approved. Optionally, applicants may upload additional documents that they consider support their respective applications, e.g. layout sketches, traffic/ridership analyses, and engineering reports. These optional supporting materials provide NVTA staff with additional contextual information that, in some cases, enhances NVTA's analysis. However, the standardized information is the primary driver of NVTA's analysis.



**Q: Does NVTA use a computer model?**

A: Yes. NVTA uses a computer simulation model in the development of TransAction and for the quantitative evaluations of candidate projects in the Six Year Program. For consistency, NVTA uses the same travel demand patterns in its model as those developed by the National Capital Region's Transportation Planning Board (TPB) for the Washington D.C. metropolitan area. NVTA uses a more detailed description of the multimodal transportation system in its model than that used by TPB. This enables more granular modeling and analysis. NVTA does not currently have in-house modeling tools, and so NVTA outsources this work.

**Q: Where does public comment fit in NVTA's process?**

A: Public comment is an important component in the development of both TransAction and NVTA's Six Year Program. For the FY2020-2025 Six Year Program, the [public comment period](#) continues through May 24, 2020. NVTA staff will not develop project recommendations until after the conclusion of the public comment period.

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**Evaluation Factors**

**Q: What quantitative factors does NVTA use in its evaluation?**

A: NVTA uses model simulations to estimate three quantitative factors: congestion reduction relative to cost (CRRC) ratios, TransAction project ratings, and Long Term Benefit. NVTA uses an independent consultant to undertake model simulations using a computer model, based on the Transportation Planning Board's regional travel demand model, calibrated to the current traffic patterns and intensity in the region.

**Q: What are project CRRC ratios?**

A: Virginia House Bill 2313, enacted in 2013, requires NVTA to give priority to projects that achieve the greatest congestion reduction relative to cost (CRRC). This is the starting point for NVTA's project evaluations, with the project evaluation summary ranked by these ratios. The model estimates daily person hours of delay individually for each candidate project. NVTA staff convert these daily estimates to annual estimates of the reduction in delay for the years 2025 and 2040. NVTA staff then extrapolates these numbers for the years in between (and prior years where applicable) and sums them from the year of opening to the year 2040. (continued following page)



Finally, NVTA staff divides the cumulative person hours of delay reduction by the total project cost to derive CRRC ratios. (Note – NVTA uses total project cost, not funding request, to ensure comparable CRRC ratios.) For consistency, NVTA’s calculation of CRRC ratios is model-based, and does not rely on analyses developed by applicants.

**Q: What are TransAction project ratings?**

A: The TransAction project rating utilizes 15 weighted performance measures used to evaluate the NVTA’s long-range plan, TransAction. These measures include person hours of delay, accessibility, reduction in SOV trips, safety, etc. NVTA approved the measures, and associated weights, following a collaborative process with citizens, stakeholders, and its committees. The model estimates the value for each measure for the year 2040, with and without the candidate projects (as a group) and calculates the difference for each measure, before combining them to get a single weighted rating for each project. Virginia House Bill 599, enacted in 2012, requires this analysis, which provides a sense of relative congestion impact but without reference to cost. See the TransAction [website](#) for more information.

**Q: What is Long Term Benefit?**

A: Virginia House Bill 2313, enacted in 2013, requires NVTA to ensure that, over the long term, each of NVTA’s nine member jurisdictions receive a ‘benefit’ that is approximately equal to the share of NVTA revenues attributed to each jurisdiction. Subsequently, NVTA approved a set of ‘Principles’ in December 2014 that outlined how Long Term Benefit should be calculated, and when. NVTA staff developed a detailed methodology for the FY2020-2025 Six Year Program that provides an initial assessment of the status of Long Term Benefit for each member jurisdiction. The model considers all projects that have received NVTA regional revenues and estimates the benefit using two different approaches, and sums the results for each jurisdiction. For this analysis, NVTA staff allocated the Long Term Benefit associated with NVTA-funded projects in towns and for transit agencies to the relevant member jurisdictions. This is the first NVTA funding cycle in which Long Term Benefit is a potential factor. NVTA staff has not yet finalized how to incorporate Long Term Benefit in developing project recommendations. As a result, NVTA staff grades the Long Term Benefit status as if it is a qualitative factor. Long Term Benefit assessments are only applicable to NVTA’s nine member jurisdictions. Those member jurisdictions include the Counties of Fairfax, Loudoun, Arlington and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.



**Q: What qualitative factors does NVTA use in its evaluation?**

A: NVTA considers a range of qualitative factors for each project evaluation, including whether NVTA has previously allocated funding to the project, funding gaps, non-NVTA funding, past performance with NVTA-funded projects, support by neighboring jurisdictions, and other factors that may be project-specific. NVTA also gathers information regarding local priority and project readiness, although these factors have a relatively minor role in project evaluation. Finally, NVTA considers modal and geographic balance.

**Q: How does NVTA evaluate qualitative factors?**

A: As the name implies, qualitative factors are not precise and require some interpretation. NVTA staff consequently avoid evaluating such factors using an algorithm. Instead, NVTA staff objectively grade qualitative factors for each project to reflect the extent to which such factors are in play, generally on a six-point scale. [This summary](#) shows factors with more positive grades in deeper shades of green, and provides an explanation for each grade for each factor.

**Q: How does NVTA take account of projects that have already received NVTA regional funding?**

A: 16 of the 41 candidate projects are 'continuation' projects, meaning NVTA has previously allocated funding to these projects in at least one earlier NVTA funding cycle. NVTA is not obligated to fund such continuation projects to completion as a first priority, although applicants may have a reasonable expectation that NVTA will do so eventually, absent other funding sources.

**Q: How does NVTA take account of project funding gaps?**

A: Projects that can demonstrate that the requested NVTA funds, if approved, will enable full construction of the project will receive a higher grade than those that do not. The grade reflects either the absolute size of the funding gap or the proportion of total project cost that is not funded, whichever is the higher.

**Q: How does NVTA take account of local prioritization of projects?**

A: NVTA requests applicants prioritize their project applications. As noted above, this factor has a relatively minor role in project evaluation, because NVTA's primary focus is on regional, not local, factors.



**Q: How does NVTA take into account external funding?**

A: Projects that can demonstrate a high level of committed funds from other sources receive a higher grade than those that do not. The grade reflects either the absolute amount of committed funds or the proportion of total project cost covered by committed funds, whichever is the higher. Eligible external funds include non-NVTA funding sources of any kind, as well as NVTA local (30 percent) revenues. Previous NVTA regional funds are not included in the evaluation of other committed funds. NVTA staff only include committed funds in this evaluation, and disregard pending (or future) funding requests to NVTA or other funding entities.

**Q: How does NVTA take into account past performance?**

A: NVTA looks at past performance at the applicant level (across all previously funded projects) and, in the case of continuation projects, at the individual project level. It is important to understand that NVTA regional revenue allocations are not grants. Instead, NVTA reimburses project expenses based on accurate and complete reimbursement requests. NVTA refers to the cumulative amount of paid reimbursement requests as 'drawdown.' NVTA considers three past performance factors (at the applicant and project levels) – percent of drawdown compared to expected drawdown, percent of drawdown compared to total allocated regional revenues, and the rate of drawdown activity relative to the number of active Standard Project Agreements (SPAs). Projects that can demonstrate a high level of activity for each factor receive higher grades than those that do not.

**Q: How does NVTA take into account project readiness?**

A: NVTA looks at project readiness in two ways – expected first fiscal year of drawdown and year of project opening. Projects that can demonstrate the earliest level of activity receive a higher grade than those that do not for each factor. As noted above, these factors have a relatively minor role in project evaluation, due to optimism bias.

**Q: What does NVTA mean by geographic and modal balance?**

A: NVTA staff will consider the entire package of recommended projects as a group, and adjust for modal and geographic balance, to ensure a reasonable distribution of the recommended projects across the region and by transportation mode.

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## **Funding**

### **Q: What are the sources of NVTA's revenue?**

A: The General Assembly enacts legislation that stipulates the annual revenue sources for NVTA. Effective July 1, 2020, the revenues authorized by the General Assembly, and corresponding percent of the total revenue stream, are:

Sales Tax – 83.8%

Grantors Tax – 9.1%

State Recordation Tax Transfer – 5.9%

Heavy Truck Diesel and Registration – 1.2%

### **Q: Does NVTA allocate all its revenue to the Six Year Program?**

A: No. Per Virginia Code, NVTA allocates its revenues to two accounting funds, the Regional Revenue Fund (70 percent of revenue) and the Local Distribution Fund (30 percent of revenue). NVTA funds the Six Year Program from the Regional Revenue Fund deploying 70 percent of revenues received to projects determined solely by NVTA. NVTA allocates the Local Distribution Fund revenue to member jurisdictions (counties and cities in Northern Virginia) for transportation purposes of their choice.

### **Q: How does NVTA estimate its revenue for the Six Year Program?**

A: NVTA adopts long-term revenue estimates typically three to four years in advance of a funding cycle. NVTA develops estimates with a very conservative nature targeted to result in some mid-cycle positive variances. Under the direction of the NVTA's Finance Committee, NVTA staff recommends revenue projections and Six Year Program funding levels to NVTA for final approval and appropriation.

### **Q: How is COVID-19 affecting NVTA's revenue, and what is the impact on the NVTA's Six Year Program?**

A: Since NVTA's revenues are primarily from Sales Tax receipts in Northern Virginia, these will temporarily decline until the regional economy recovers. NVTA staff are currently assessing the likely depth and duration of this decline. Longer-term implications for future funding cycles are difficult to predict at this early stage of the COVID-19 public health emergency.

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## **Recommendations**

### **Q: How much will NVTA allocate to the FY2020-2025 Six Year Program?**

A: NVTA staff has estimated (prior to COVID 19) that \$400 million will be available for the Six Year Program, mostly comprised of expected revenues in FY2024 and 2025. NVTA will approve the final amount by June 2020. NVTA will allocate all available funding.

### **Q: How does NVTA combine all the evaluations factors into project recommendations?**

A: NVTA staff will develop project recommendations after completion of the public comment period and finalization of the available amount. First, NVTA staff will rank the projects using the CRRC ratios (described above), and identify an initial group of projects for which the associated cumulative funding requests equal the available funding amount. Second, NVTA staff will consider qualitative and other quantitative factors, and public comment associated with each of these highest-performing projects. In some cases, NVTA staff may suggest reduced (or zero) funding for some projects in this initial group. Third, NVTA staff will add projects that offset lower CRRC ratios with other strong attributes. Finally, NVTA staff will consider the entire package of recommended projects as group, and adjust for modal and geographic balance, to ensure a reasonable distribution of the recommended projects across the region and by mode.

### **Q: Does NVTA set aside funding allocations for different types of project?**

A: No, NVTA applies a single consistent methodology to all projects. Set asides are not consistent with the requirements of Virginia Code.

### **Q: For projects approved for funding, does NVTA meet their funding request in full?**

A: Not necessarily. Due to the high demand for NVTA's regional revenues, NVTA will sometimes allocate less funding than requested. If this occurs, NVTA will try to allocate sufficient funds to enable completion of entire phases, thereby enabling projects to partially advance.

### **Q: When will NVTA publish staff recommendations?**

A: June 2020.



**Q: How will NVTA review the recommendations?**

A: NVTA will review the staff recommendations with its two statutory advisory committees in June 2020. These are the Technical Advisory Committee (TAC) and the Planning Coordination Advisory Committee (PCAC). NVTA's standing committee, the Planning and Programming Committee, will consider the TAC and PCAC recommendations prior to developing its own recommendations. These will advance to NVTA for action in July 2020.

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**Approval Process**

**Q: Who approves funded projects?**

A: NVTA is the sole decision-making body. NVTA may accept the project selection recommendations in full. However, NVTA has the discretion to modify these recommendations prior to approval, provided it documents the reasons.

**Q: When will this happen?**

A: NVTA will adopt the Six Year Program at its July 2020 meeting.

**Q: Does the Commonwealth of Virginia have a say in the approval process?**

A: Not directly. However, NVTA includes representatives of the Commonwealth of Virginia. There are two gubernatorial appointees – the Northern Virginia Commonwealth Transportation Board (CTB) member and a citizen appointee – who are voting NVTA members. Furthermore, the VDOT NOVA District Administrator and the Director of DRPT are non-voting NVTA members.

**Q: What is the difference between adoption and appropriation?**

A: NVTA 'adopts' the Six Year Program, which comprises 'approved' projects with an 'allocation' of future regional revenues. However, the projects cannot receive NVTA's regional revenues until NVTA has 'appropriated' project funds as part of its annual budget/appropriation cycles. Subject to availability of sufficient funds in any given fiscal year, project applicants have a large say in determining when appropriation will occur.



**Q: When will appropriation happen?**

A: Typically, NVTA's annual appropriation occurs in April or May, preceding the start of the fiscal year on July 1.

**Q: Are there any conditions attached to projects using NVTA regional revenues?**

A: Yes, there are numerous conditions related to contract administration, reimbursement requests, progress reporting, and coordination of public facing activities. For example, successful applicants must enter into a Standard Project Agreement (SPA) with NVTA, and update the SPA when circumstances change. NVTA does not issue grants. Instead, NVTA reimburses regional revenues based on accurate and complete reimbursement requests. NVTA returns unexpended funds to the Regional Revenue Fund for allocation as part of future Six Year Program updates. Applicants must provide monthly status reports, and coordinate with NVTA staff regarding public information meetings and project milestone celebrations, such as groundbreakings and ribbon-cutting ceremonies.

**Q: For unsuccessful applicants, are there other funding sources for their projects?**

A: Yes, there are a wide variety of local, regional, state, and federal funding programs, including NVTA's Local Distribution Fund (30 percent revenues). Unsuccessful applicants can also reapply to NVTA for regional revenues in future Six Year Program updates (every two years.)

**Q: Do funded projects have to adhere to local, state, and federal project development, permitting and procurement processes and regulations?**

A: Yes, funded projects must follow applicable processes and regulations.

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**Other sources of information:**

- NVTA's [website](#) for the FY2020-2025 Six Year Program.
- [Explanation](#) of NVTA's approach to project selection for the FY2018-2023 Six Year Program.
- NVTA's Long Term Benefit [Principles](#).

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