



# Incorporating Improvement into the STP local distribution

October 31, 2019



# Background

Concern that councils that improved performance would be penalized by the distribution formula

Desire to incentivize investments and policy shifts

*Agreement: the methodology for recalibrating distribution to account for improved performance shall be established by the PSC by December 31, 2019.*

# What's not on the table?

Changes to the existing performance categories

Changes to the weighting of the performance categories

Changes to the Shared Fund set-aside

# Considerations

What is the definition of improvement?

How much of the region's annual allotment?

How should funds be distributed?

# Discussions so far

CMAP staff brainstorming (August & September)

Planning Liaisons and CDOT staff (9/20)

Planning Liaisons (10/3)

**What is the  
definition of  
improvement?**

# Options to consider

A: Raw improvement to the performance factors

B: Improvement to the “% bad”

C: Cost effectiveness of A or B

# A: Raw improvement

Council	Base	Current	Improved
A	50	40	10
B	25	15	10
C	75	80	0
Total	150	135	15

Mirrors the performance formula

May underrepresent the scale of improvements in each area



## B: Improvement to “% bad”

Council	Base % (bad/total)	Current % (bad/total)	Improvement
A	50/100 = 50%	40/100 = 40%	10%
B	25/50 = 50%	15/50 = 30%	30%
C	75/200 = 37%	80/200 = 40%	0%
Region	150/350 = 43%	135/350 = 39%	15%

Better representation of the effort and impact on total improvement

# C: Cost effectiveness of improvements

\$ Invested / Improvement

Options (for \$):

STP-L only

STP-L and STP-SF

All federal

Any funds

CON only

All phases

# Other ideas discussed

Reward implementation of policies (asset mgmt., discouraging SOV travel, etc.)

Reward successful Active Program Management (the timely use of funds)

Modify the existing formula (remove “improved” categories, use the greater of the base condition or current condition in the formula)

# Staff recommendation

Option B: Improvement to “% bad”

# Questions/Discussion

**How much of the  
region's annual allotment  
should be dedicated to  
improvement vs. need?**

# Zero sum game

The annual allotment does not change – whatever funding is distributed based on improvement reduces the amount of funding distributed based on need.

# Options

A: Tie the amount of funding to be distributed to the amount of improvement realized

B: Tie the amount of funding to be distributed to the achievement of regional performance targets

C: Tie the amount of funding to be distributed to the number of factors that improved

D: Establish an arbitrary set-aside percentage



# A: Set-aside % = improved %

## Pros:

- If the region doesn't improve, there is no set-aside
- Encourages all to prioritize improvement when programming
- Easy to calculate

## Cons:

- If the region doesn't improve, there is no set-aside
- Poor performance by few could prevent many from being rewarded for good performance

# **B: Set-aside % = % targets achieved**

## Pros:

- Direct relationship between regional targets and funding
- Easy to calculate

## Cons:

- Targets would need to be established for the local system
- May discourage certain project types

# C: Set-aside = # of factors improved

## 0.25% per factor = 15% max

### Pros:

- Very simple to calculate
- Accounts for different focus areas at different councils

### Cons:

- Could result in larger set-aside for minimal improvement, depending on definition

Council	Base - estimated need					Current - estimated need				
	Pavement condition	Congestion	Safety	Bridge condition	Multi-modal needs	Pavement condition	Congestion	Safety	Bridge condition	Multi-modal needs
Central	90	281,811	118	3,658	78,165	18	217,746	62	7,888	81,204
Chicago	1,480	5,056,013	1,488	1,589,292	612,199	264	6,994,242	1,188	1,864,474	634,326
DuPage	463	1,359,322	243	42,923	328,194	193	1,515,930	229	64,440	365,003
Kane/Kendall	390	729,392	267	140,001	244,875	78	570,734	223	142,282	288,501
Lake	327	1,922,943	144	140,009	232,548	85	571,900	132	143,412	273,266
McHenry	176	397,850	71	55,609	106,118	35	158,263	84	72,409	135,260
North Central	190	431,004	114	30,358	102,024	38	363,195	95	37,400	110,924
North Shore	181	779,123	114	15,735	90,123	65	454,275	110	33,906	96,248
Northwest	207	580,198	154	5,022	271,720	196	663,250	122	14,877	291,745
South	298	165,771	182	8,589	163,767	156	262,594	187	37,355	175,883
Southwest	248	298,388	113	23,027	129,776	134	312,678	117	84,505	138,765
Will	326	646,507	159	92,313	209,675	83	563,514	163	98,126	249,422
Total	4,376	12,648,322	3,167	2,146,536	2,569,184	1,346	12,648,322	2,712	2,601,074	2,840,547

# **D: Set-aside = arbitrary percentage**

Pros:

- Known ahead of time

Cons:

- Not allowed by FHWA

# Staff recommendation

Option A: Tie set-aside % to improvement percentage

- Most direct correlation
- Regional effort to improve vs. individual

Consider a maximum set-aside?

# Questions/Discussion

# How should funds be distributed?

# Options

Option A: Equal distribution to all councils with a net improvement

Option B: Proportional share equal to each council's share of the overall improvement



# Staff recommendation

Option B: proportional share

# Questions/Discussion

# Overall staff recommendation

Set aside a percentage of the region's allotment for improvement that is equal to the percentage that the region improved (possibly capped), to be distributed based on each council's proportional share of that improvement. Improvement is defined as the change to the "% bad", not raw factors.



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