

**The “lion’s share”: The MPO’s financial revenues
and the relationship of these revenues to the
MPO voting options being studied.**

At a recent MPO Board meeting, one MPO Board member declared that the larger communities “pay the lion’s share of the costs for MPO operations” and, therefore, they should have a larger say in the decisions made by the MPO. This “lion’s share” concept was advanced during a discussion about MPO Board voting formulas.

1. This “lion’s share of the costs” concept needs to be examined. In dollars and cents, it is not the case that the larger communities pay the lion’s share of the costs used to support MPO operations. The federal government pays 80 percent or more of these costs. Since 1991, federal transportation legislation has allocated 1.0 percent (now 1.25 percent) of the total transportation budget to the nation’s MPO organizations for regional transportation planning and programming. These federal revenues are used for staff, office, research, and associated MPO administrative functions.
2. The federal government requires a 10 percent state match and a 10 percent local match up front in order to receive these federal transportation aid (grant) dollars. In Virginia, the state provides its 10 percent match for each of its 14 MPOs. In Hampton Roads, the 10 percent local match has historically been drawn from the 82 cents per resident assessment paid annually to the regional PDC. For different regions in Virginia with both MPO and PDC organizations, this sum is referred to as the local match, or the PDC match. In some regions, the MPO receives its 10 percent local (or PDC) match dollars plus, owing to the recognized great importance of the MPO, an additional local contribution, referred to as an overmatch, or a specific local contribution (above the required local match). At least one region in Virginia has identified its per-resident assessment as being divided into xxxx cents for the MPO and yyyy cents for the PDC just to keep the records straight. This latter procedure, especially useful for the larger MPOs, warrants discussion here in Hampton Roads.
3. These basic MPO financial matters need to be better understood than is now the case; they should be fully reviewed so that clear policies can be established.
4. Back to the “lion’s share of the MPO costs”. Baseline non-local MPO revenues for staff functions come from both the federal government (FHWA-PL and FTA-Sec. 5303 funding lines, for example) and from the state government (State Planning and Research (SPR) and the required FHWA and FTA match funding lines, for example). In addition, the nation’s more dynamic and larger MPOs seek and obtain other grant awards which serve as additional non-local revenue sources that further support (finance) MPO staff and MPO operations.
5. For the Hampton Roads MPO, the basic, core state and federal revenue sources described above may amount to \$2.5 million dollars (a very rough estimate).

6. The local contribution (the current local match) may amount to 10 percent the MPO's total revenues (another rough estimate). To the extent that this is correct, this 10 percent, then, is not the "lion's share of MPO costs".
7. The voting voice of the larger communities, therefore, should not be dictated by the "lion's share" concept.
 - a. The voice of the larger communities, nonetheless, does need above average attention, because the roads will serve (or not serve) these communities with more impact than others.
 - b. Voting should be designed to optimize or maximize the process of region-based decision-making. Or, obversely, voting should be designed to stem any tendency toward having jurisdictional dominance drive the decision-making process which risks producing a lowest common denominator kind of decision, or the something-for-everyone type of decision.

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Drafted by
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