

DRAFT
Minutes from the Federal/State Roundtable
NASTO Annual Meeting
Groton, CT
June 5, 2011 1:30 – 3:00 PM

NASTO President George Campbell (NH) opened the meeting, thanking Connecticut for hosting this year's conference, and thanking CT Federal Highway Division Administrator Amy Jackson-Grove and staff for developing this session's talking points.

Greg Nadeau, Deputy Administrator for Federal Highways, offered welcoming remarks and extended regrets in behalf of Victor Mendez, Federal Highways Administrator, who was not able to attend due to post-tornado disaster tours. Deputy Administrator Nadeau thanked the DOT's for their "Herculean" efforts with the ARRA stimulus program and for having done so well executing on time, on budget. He is looking forward to this session's discussions on Reauthorization, Every Day Counts and other topics.

Jeffrey Paniati, Executive Director of Federal Highways, offered that the Roundtable session was started 3 years ago as a means to enhance dialogue between the States, the Department of Transportation and Washington. It is an opportunity to update on agendas, to meet new people, and to share thoughts and issues of the day. His hope is to reinvigorate partnerships to face challenges with a strong Federal/State partnership. Executive Director Paniati announced the appointment of Patrick Bauer as the New Hampshire Federal Highway Division Administrator.

Discussion:

"Every Day Counts" (EDC):

Mary Beth Mello, FTA Region I Administrator, stated the FTA is looking forward to bringing the concept of EDC to Region I, with help from Federal Highway Administration. Federal Highways has been progressive with this initiative and has talented individuals with skills and experience to assist the states and other modes. Jeffrey Mullan, (MA), stated that Massachusetts DOT used performance metrics to accelerate the Massachusetts bridge program, and for the MBTA. They have experienced successes. Secretary Mullan recommended benchmarking project cost savings through measures of time and money. Partnerships between State and Federal agencies will be an essential tool to ensure the most effective use of state and federal resources. There was support from Deputy Administrator Nadeau and Susan Martinovich, President AASHTO, to reinforce the importance of communications and partnerships between agencies and modes to move EDC forward.

President Campbell asked if EDC could help with reauthorization? Commissioner Joan McDonald and Stanley Gee of New York DOT stated both state and federal levels need to partner toward this end. Stanley Gee asked all to be mindful of the environmental relationships that have been built over time. The current challenges are increased with the loss of resources, and that may make it more difficult to maintain and/or renew relationships. He recommended this as an area for sharing of practical experiences with FRA/FTA. FHWA has more experience

with EDC concepts and may be able to lead the way by providing oversight so the other agencies will benefit from their experience.

Karen Songhurst, (VT), identified the Lake Champlain Bridge Project as an extraordinary example of Vermont's focus on EDC. She noted that more projects are becoming regionally based- however regionally based projects create greater challenges in coordinating multiple funding sources. She identified the complexities of working between states and obtaining federal approvals. There are often separate processes for each entity. Ms. Songhurst recommended regional and multi-modal funding sources as an area of focus to streamline processes.

Beverly Swaim-Staley (MD) referenced the \$2.5B inter-county connector in Maryland. She said no one ever thought that project would happen because of the linkage with the environmental agencies. Executive Director Paniati stated the need for up front agreements between agencies, rather than working on them later in the process. Deputy Administrator Nadeau said we should use EDC as guiding principles to focus on the initiatives where we had the power to execute, and to learn from these lessons. He asked the group how we might use innovation to harvest benefits in the future? What ideas can work nationwide? How can we as a group capture the innovations and success so they can be deployed and used successfully nationwide?

Performance Measures:

President Campbell stated that performance measures are going to be a key issue for all. He referenced the Rockefeller/PEW report. NH had the only trailing score because the state does not measure around Transit areas. If DOT's know what they will be measured on, there would be many more effective communications and potentials for success.

Acting Commissioner James Redeker (CT) stated Connecticut was number 13 on the PEW report and they were thrilled with that outcome, based upon a lot of hard work. He discussed results-based accountability, having qualitative benefits, and metrics related to "quality of life" outcomes. The message needs to get back to our Legislatures to provide the funding and let the agencies report on how they're doing. CT does a lot of transit work and transit is a natural fit to measure on the quality of life. Agencies need to focus on project delivery- on budget. CT DOT is still balancing reporting on the public website, quarterly updates and transparency.

Division Administrator Jackson-Grove reiterated the importance of top-down communications in identification of performance metrics. She stated it is essential for agencies to benchmark the past, monitor the current, and be aware of the future.

Karen Songhurst, (VT) stated that Vermont is instituting a new performance measure system. The challenge is around the legislative perspective of "user" performance perspective verses the "system" performance. She was interested in how states would each develop their own performance metrics and meet FHWA expectations.

Mike Lewis, RI DOT Director, stated he researched other states performance measurement programs and found that some of the staffing models were of considerable size. Staffing requirements for performance measurement systems will be a consideration as states move forward with challenged resources. He stated measures are helpful to explain system need priorities to the legislature, so they can find resources to put together meaningful programs.

Secretary Mullan stated Massachusetts Department of Transportation started working on Scorecards 4 years ago. It was not successful because it was not tied to the strategic plan. There were also challenges related to changing to a culture of data and meaningful measures. An example was that some employees changed odometer readings to meet the measure, rather than to respond to what the measure might have to tell them about performance.

Executive Director Paniati reinforced the purpose of performance measures is to provide data to make decisions. The range of measures needed at the state level may be different than the range of measures needed at the Federal level. The Federal government is asking for measures related to safety, pavement and bridges. While he is an advocate for a simple program he wanted to make sure States ensure their outcome is tied to engagement rather than funding. FHWA is looking to ensure engagement in the measurement areas.

Commissioner McDonald, (NY) added that performance measures are also public relations tools and “simple is best”. She offered that too many measures complicate communications. She recommended the group use common definitions for “on time” and “on budget”.

ARRA/Tiger II

Deputy Administrator Nadeau and Executive Director Paniati stated that the Office of the Secretary is working on timing of how to approach the legislative requirements around a Tiger III. Tiger III is expected to be similar to Tiger II, coming in around \$528M, except that there will be no planning grant. Administrator Mello stated that FTA is working on a large discretionary program of about \$900 M to be announced in coming weeks. FHWA closed 11 grants as of Friday. The goal is to move more quickly and efficiently. President Campbell (NH) and Acting Commissioner Bernhardt (ME) extended thanks to FHWA Administrator Mendez and Cynthia Vigue, Assistant Division Administrator (NH), for executing the Tiger II Grant for the Portsmouth project in such a short turnaround.

Reauthorization: Reauthorization will be a key topic for upcoming conferences.

Commissioner McDonald and Stanley Gee expressed that the State DOT's are facing the “fight of their lives” when looking at all converging factors: Debt ceiling discussions, extreme weather events in the northeast, the age of the northeast infrastructure. The transportation system needs in New England are greater than they have ever been. Commissioner McDonald offered that all these needs highlight the need for public/private partnerships and streamlining of project delivery. Communications with congressional delegations will remain very important.

Deputy Administrator Nadeau reported that the President's 2012 timing for the budget rollout is the same as US DOT, with much sharing of policy framework. The FHWA program has a “laser beam” focus on the most important elements of the highway system. The primary focus is to provide federal resources in a way that gives the states the ability to apply those resources on the areas of greatest need.

Executive Director Paniati stated he did not expect a reauthorization being delivered in June. Funding levels are down and highway and transit funding levels will be reduced accordingly. There will be more focus on innovative finance; there will be no earmarks, there will be focus on performance metrics, some elimination of high-speed rail.

Wrap Around:

Prior to ending the meeting, all were asked to participate in a wrap around session: Common themes in the wrap around included:

- Emphasis on development and maintenance of partnerships in times of challenge
- Each state's performance measurement systems and the ability of performance metrics to enhance a state's funding and resources to maintain and develop state transportation systems
- Ability of State DOT's to manage effectively in a culture of performance measures
- Increased need to communicate more often and more effectively in times of constrained resources
- Customer satisfaction and how the State DOT's make decisions based upon customer input
- Completing projects on time and on budget, performing as leanly and as efficiently as possible
- Increasing needs for State DOT's to respond to unusual and extreme weather events and the effects on resources
- Requests from the States for the Federal Agencies to provide top-down support to allow for effective measurement systems and use of constrained resources

The meeting was adjourned at 3:00 PM.