

## Work Program 101 - Script

Welcome to the Work Program 101 CBT – Overview. To begin the training, select the Start button or press Shift+N on your keyboard.

The FDOT's Work Program is a five-year plan of transportation projects as defined in Section 339.135, Florida Statutes. It was developed in partnership with communities, metropolitan planning organizations, local governments, state and federal agencies, modal partners, and regional entities. We consider this to be a "bottoms-up" process.

The Department identifies needs-based projects, which must be consistent with laws, policies, program objectives and priorities.

Public hearings for the Work Program are required by Section 339.135(4)(d), F.S.

A link for these statutes may be found on the resources page.

Guiding principles for the Work Program are:

- Commitments must be planned to deplete the estimated resources of the funds for the fiscal year (per s. 339.135(3) (b), F.S.)
- Cannot budget in excess of revenues received from the various sources (per s. 339.135(3)(c), F.S.)
- Must allocate revenues to districts based on quantitative needs assessments for preservation (per s. 339.135(4)(a)1, F.S.);
- Allocate remaining revenues by population and fuel tax collection for capacity projects as well as other program allocations for public transportation, Strategic Intermodal System, landscaping and district new production (per ss. 339.135(4)(a)1; 341.052; 339.61; 334.044(26), F.S.)
- Minimize changes to the four common fiscal years contained in the previous adopted and the new tentative (per s. 339.135(4) (b) 3, F.S.).

The state investment priorities include all safety programs; meeting all system preservation and maintenance objectives (s. 334.046, F.S.), including state-maintained bridges, pavement condition of state highways, and maintenance of state highways; and transportation system capacity, which includes meeting statutory requirements for public transportation, such as: aviation, transit, rail, ports; the Strategic Intermodal System; and other state highways and public transportation programs.

Now let's look at the financing methodology of the Work Program. FDOT operates on a cash flow-commitment basis.

Multi-year transportation projects start before the total amount of cash is available to fund the entire project and future revenues are used to pay for a project as actual expenditures occur. The finance plan and cash forecast are used to measure and evaluate the anticipated future revenues against total and planned project commitments. FDOT is the only state agency in Florida that operates this way.

The Work Program aids the Department in: planning projects, financial forecasting, measuring accomplishments of the Department, and communicating with partners and stakeholders.

The Work Program is developed cooperatively with: the traveling public (such as: residents, visitors, and freight shippers); local metropolitan planning organizations and governments who prioritize local needs; USDOT and state/federal regulatory agencies; industry; modal partners, which include aviation, seaports, rail, public transit operators, spaceports, and waterways; community, environment, economic interests, and military; regional entities; and transportation, expressway and bridge authorities.

The Work Program has participation from many sources that represent the final product. They include:

- ❖ FDOT Executive Committee
- ❖ District Offices
- ❖ Turnpike Enterprise
- ❖ Central Office Bureaus
- ❖ Metropolitan Planning Organizations (priority lists)
- ❖ County Governments
- ❖ Executive Office of the Governor
- ❖ Legislative Committees
- ❖ Department of Economic Opportunity
- ❖ The Federal Government
- ❖ Florida Transportation Commission
- ❖ General Public

This chart shows the owners and operators of Florida's various transportation systems. Please select the continue button when you are ready to advance to the next slide.

This chart shows which transportation systems are priorities for Florida's governmental and private sector entities. Please select the continue button when you are ready to advance to the next slide.

This chart shows the funding sources of Florida's various transportation systems. Please select the continue button when you are ready to advance to the next slide.

Let's take a look at the Work Program process, which is an ongoing process.

The gaming cycle refers to the period of time in which the Districts/Turnpike Enterprise and Central Office can update or add to the projects currently programmed in the Work Program Administration system within the Tentative Work Program years. It allows Work Program Administration users to program project scenarios and run reports to analyze their impacts and determine their final plan.

The Tentative Work Program is a future five-year listing of all transportation projects planned for each fiscal year, which is developed by the Central Office based on the district work programs and is a result of the efforts put forth in the gaming cycle.

The Adopted Work Program refers to the five-year Work Program adopted by the Department on July 1st of each year that includes the current fiscal year.

The Work Program can be amended per Section 339.135(7), Florida Statutes: Changes (additions, advances, deferrals or deletions) to projects in the first year of the Adopted Work Program (current year) must be approved by the Executive Office of the Governor (EOG) via an EOG Work Program Amendment Request.

An amendment requires approval by the Executive Office of the Governor in the following circumstances:

- To advance or defer a right of way, construction or public transportation phase costing over \$1,500,000 appropriated funds; to advance or defer a preliminary engineering or design phase costing over \$500,000 appropriated funds
- To add a project or project phase costing over \$500,000 appropriated funds;
- To delete a project or project phase costing over \$150,000;
- To loan funds (up to 3 years) between districts to maximize use or amount of funds available to the state.

For purposes of determining if an amendment requires approval by the Executive Office of the Governor, non-budgeted funds are not included in the computation of cost. Only funds appropriated by the Legislature are to be included in computing the threshold amount.

When financing the Work Program, develop a plan that is balanced to available resources, such as revenues and forecasts for state and federal sources. Adjust the program to Revenue Estimating Conference information. The Five-Year Finance Plan tests if the existing and planned commitments can be financed. The Three-Year Cash Forecast ensures funds are available as projects pay out. These tools provide confidence that the Work Program is financed and sufficient cash is available to meet the obligations of the Work Program.

#### The Work Program Fund Allocation Process

The State Transportation Trust Fund (STTF) was statutorily created for transportation purposes per Section 206.46, F.S. The Department primarily operates from dedicated sources of funding.

General revenue consists of all moneys received by the state from every source, except moneys deposited into trust funds, and is not a substantial source of funding for the Department.

The allocation process involves distributing funds to the Districts and Central Office. The Department's funds are allocated to Central Office, the Districts and the Turnpike Enterprise in a manner that is consistent with the Work Program Instructions and the policies and objectives outlined in the Florida Transportation Plan (FTP). The Work Program Instructions contain Schedule A (the fund allocation tables) and Schedule B (the program performance targets). Allocation sources include state and federal funds, bond funds, toll revenues and local funds.

The allocation process is affected by the funds' specifications for use:

- State funds for state investment priorities are governed by Section 339.135, F.S.; State funds are distributed on both a district and statewide level. Per Section 339.135 (4)(a), F.S., the department shall allocate certain funds for new construction to the various districts based on equal parts of population and motor fuel tax collections (50% population; 50% collection) to assure that no district or county is penalized.
- State funds for needs based programs (resurfacing, bridge repair, etc.) shall be allocated based on the results of their inventory assessments. e.g. pavement condition survey.
- Certain state funds are allocated by statutory formula, like district dedicated revenue (DDR). Statutory formula DOES NOT require the Department to distribute funds at a county level, except for State Comprehensive Enhanced Transportation System (SCETS).

- Federal funds must be spent for the purposes and programs authorized by Congress. These regulations often specify the use of a need based inventory or provides a formula for funds distribution.
- Bond funds are used for right of way and bridge activities and for turnpike projects.
- Toll revenues remain in the system where collected.

There are two types of programs to which funds are allocated:

Statewide programs are managed by Central Office. These funds are allocated to Central Office and the Districts (including Turnpike Enterprise) based on statewide priorities.

**Some Examples include:**

- Strategic Intermodal System (SIS)
- Intelligent Transportation System (ITS)
- Bridge Replacement.

District programs are managed by the Districts and the Turnpike Enterprise, and the funds are allocated by statutory formula or on a needs based criteria.

**Examples include:**

- Arterial resurfacing
- Bridge repair or rehabilitation

The typical Work Program development schedule starts in July and continues until July of the following year, except during redistribution years, such as the year after a census. The Tentative Work Program gaming cycle begins in July and ends in January. Section 339.135 (4)(f), F.S., requires the Central Office to submit a Preliminary Tentative Work Program to the Executive Office of the Governor and the Legislature at least 14 days prior to the legislative session convening. In March, the complete Tentative Work Program must be submitted no later than 14 days after the legislative session begins. On July 1<sup>st</sup>, the Tentative Work Program is adopted. According to Florida Statute, if it's not in the Adopted Work Program, we cannot do the project!

This slide shows a Work Program development schedule and how it is all put together: the policies, priorities and funding. This chart shows the steps from concept to action. To print this schedule, go to the resources page and look for the Work Program development schedule link.

To produce a project you must have:

- **Funds:** (PROJECTION) Estimated state revenues or federal aid apportionments, which are available for contractual commitment or expenditure during the respective fiscal years.
- **Budget:** (ANNUAL APPROPRIATION) the annual Appropriations Act, which designates the amount available to the department in various appropriations categories, which correspond to specific components of the department's Adopted Work Program.
- **Cash:** (MONEY IN BANK) the amount of currency in the State Transportation Trust Fund. By statute, we must have a minimum of \$50 Million on hand.

You will need all three. Consider Funds, Budget & Cash the 'legs' of a three legged stool, and visualize what happens if a 'leg' is removed!

For example: A child receives a weekly cash allowance of \$10.00. The child can only spend \$7.00. The remaining \$3.00 has to be put in a savings account. \$7.00 is the child's budget or spending authority. \$2.00 must be spent for candy, and \$5.00 may be spent as desired, except for candy. The child has \$2 of candy funds and \$5 of flexible funds. The funds have rules for use, either limits or specifications.

Let's look at the controls on the Work Program. The Florida Transportation Commission conducts an in-depth evaluation on the compliance of the Tentative Work Program development and conducts a performance and production review.

Monthly measurements are evaluated by the leadership team who examine the performance, which is the ability to deliver projects as planned, and the production, which consists of projects delivered in total.

Various reports are **sent to the Governor and the Legislature.**

**Internal and external** financial audits are performed by program, by project, and by fund.

Florida Statutes, such as Section 339.135

Local government involvement through public hearings,

Audit checks performed by the IG's Office, FHWA, and AG's Office,

The cash forecast and finance plan.

Internal reviews, including:

- The Central Office review of the first year of the tentative held in November.
- A final Central Office review of the 5 year tentative held in January.
- The Secretary's review of the Work Program in February.

Reviews cover all program areas, targets, estimates, etc.

The Florida Transportation Commission conducts an annual review and statewide public hearing. Their review includes a lengthy set of questions to which Central Office and districts provide responses.

Internal reports (like Maddog, PAR, and edits) and performance reports (like the Citizen's Plan, Production Reports, and Stability Reports).

Next, we'll look at two more concepts relating to the Work Program: Certified Forward and Roll Forward.

**Certified Forward** – An annual opportunity to request the 'retention' of the prior year committed budget for "08" budget categories.

**Roll Forward** – An annual opportunity to request the 'retention' of the prior year uncommitted budget for "08" budget categories.

Note: These are complex, statutory functions. For further information, please review procedures for Roll Forward, Procedure number 360-030-005-e, and for Operating Appropriations Carry Forward and Fixed Capital Outlay/Work Program Certification Forward Processes, Procedure number 350-030-450-k.

Work Program has information available to review the overall Work Program and specific projects. To access more information regarding the Work Program, view the Resources page by selecting the button on the bottom of the page. For more information regarding this training, please contact the Manager of Work Program Development Administration Contact information is available on the resources page. Please make note of Office of Work Program and Budget contacts for assistance in managing your work program.

Now we are going to look into Work Program Administration screens and report options for FDOT employees.

There are several reports available via the web and the mainframe. Know where to go! A great start is the OWPB SharePoint site. Refer to the Resources page for links to the Work Program SharePoint site.

Here is an example of the selection screen for the Maddog report. The Maddog is a search engine for data programmed in the Financial Management system. It is a necessary tool for managing your work program. Computer-based training on how to use the Maddog report is available with Maddog 101, TRESS course BT-16-0036.

The financial project number consists of 4 data elements, which identify and define a project in the Work Program Administration system.

- The item number is a six digit numeric code systematically assigned by the Work Program Administration system to each new project when it is first programmed.
- The item segment is used to distinguish project schedules, funding, or boundaries of the different phases of work.
- The phase is a two digit alpha-numeric code, which defines the phase of work. The first digit is the phase group; the second digit is the phase type.
- The financial sequence is a two digit numeric code, which designates portions of the total phase estimate amount for specific uses within the phase limits.

Check out the Quick Reference web application on the Office of Work Program and Budget SharePoint site for financial programming codes and their descriptions.

Here is an example of the financial programming of a project in the Work Program Administration system. Highlighted are the item, segment, phase and sequence of the financial project number discussed in the previous slide. This example shows the Phase Financial Summary or WP21 screen. A complete description of the Work Program Administration screens and reports is available in the Work Program Instructions on the Office of Work Program and Budget SharePoint site.

This CBT will automatically update TRESS. You may print the certificate for your records, but it is not required to submit a copy to your TRESS Coordinator for you to receive credit in TRESS.

This completes the Work Program 101 computer based training. Thank you for your time and participation.