

# Allocating Funding Across State Agency Work Programs



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Transportation agencies must decide how to balance limited resources among multiple programs and competing priorities, such as highway facilities vs. transit or new construction vs. maintenance.

## REAL-WORLD NEED

One of the most difficult decisions that transportation agencies must make is how to allocate scarce resources among competing priorities. These decisions have become more complex over time as agencies grapple with the growth of multimodal systems and the increasing costs of preserving existing assets. Consequently, as states implement performance-based planning, they are rethinking their resource allocation processes, aiming for greater flexibility and balance among programs, geographic areas, and performance objectives. Research was needed to synthesize current knowledge and practices regarding how states allocate resources in ways that are defensible to the public and legislatures and are most effective in balancing competing needs.

## RESEARCH SOLUTION

This topic was selected for investigation through the NCHRP *Synthesis of Highway Practice* report series, culminating in *NCHRP Synthesis 510: Resource Allocation of Available Funding to Programs of Work*. Researchers used a literature review, survey, and case studies to determine the state of the practice for resource allocation at state departments of transportation. They found that, although there is no one-size-fits-all strategy for resource allocation, balancing priorities in several key areas will help make business processes more performance-driven.

## NEXT STEPS Put It into Practice

### REVIEW

Review the seven aspects of resource allocation strategies outlined in *NCHRP Synthesis 510*.

### IDENTIFY

Identify how your agency approaches issues such as modal balance and the tradeoff between preservation and expansion.

### EVALUATE

Evaluate how your agency's long-range plans support federal requirements for performance-based planning.

### PLAN

Develop next steps for improving business processes by framing resources in terms of programs, outcomes, and performance measures.

### PARTNER

Apply for NCHRP implementation funding. See [trb.org/nchrp](http://trb.org/nchrp).

# About the Research

## RESEARCH STRATEGY

In addition to a literature review and online survey of state DOTs, researchers developed case studies for four states, analyzing how they allocate resources, how their processes are evolving in practice, how they respond to scrutiny of the resource allocation process, and how they achieve increasing discretion in programmatic resource allocation decisions. Researchers integrated these findings to develop conclusions about state approaches, focusing on the types of balance that are integral to the process and how states achieve such balance.

**“For states thinking about how to make their resource allocation process more systematic and performance-driven, this synthesis details a wide variety of approaches, tools, and resources.”**

**LANCE NEUMANN**

*Project Panel Chair, Cambridge Systematics*

## WHAT WE LEARNED

Researchers found that the resource allocation process varies widely among agencies, although the long-range transportation plan (LRTP) and the state transportation improvement program (STIP) are key tools for most states. A common approach is to create programmatic objectives in the LRTP while setting priorities in the STIP. Some states set priorities across programs and modes using benefit–cost or multicriteria techniques for both LRTPs and STIPs.

## WHY IT MATTERS

Although no single resource allocation strategy will fit every state, researchers found that evaluating programs with respect to seven key considerations will help states make business processes more performance-driven: (1) preservation vs. expansion; (2) modal balance; (3) geographic balance; (4) accountability (transparency vs. complexity); (5) top-down vs. bottom-up processes; (6) consistency vs. flexibility; and (7) objectivity vs. subjectivity.

Balancing these considerations will help states manage limited funding to achieve program goals and more effectively communicate with the public and state governments about where and why transportation funds are being spent.

## RESOURCES



**NCHRP SYNTHESIS 20-05/  
TOPIC 47-10**

### FINAL PRODUCT

*NCHRP Synthesis 510: Resource Allocation of Available Funding to Programs of Work*  
[trb.org/Main/Blurbs/176087.aspx](http://trb.org/Main/Blurbs/176087.aspx)

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### ADDITIONAL RESOURCES

Final report, NCHRP Project 08-36/Task 67: *Best Practices in Using Programmatic Strategies in Statewide Transportation Plans*  
[onlinepubs.trb.org/onlinepubs/archive/NotesDocs/NCHRP08-36\(67\)\\_FR.pdf](http://onlinepubs.trb.org/onlinepubs/archive/NotesDocs/NCHRP08-36(67)_FR.pdf)

Committee on Funding and Finance,  
American Association of State Highway and  
Transportation Officials  
[fundingfinance.transportation.org](http://fundingfinance.transportation.org)

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