

FUNDING 101

COMMON FUNDING SOURCES FOR SAFETY IMPROVEMENT PROGRAMS

The information in this document is intended to help identify and understand the most common funding sources used to implement Safety Programs. Often there are agencies that want to implement Safety Programs, but do not have the resources to do so. By becoming more knowledgeable about available funding resources, you can help grow your business. When you offer your services as an “unpaid grant writer”, agencies will see you as an excellent resource and are more likely to ask your advice in the future. Sales growth comes about through a **raised priority of safety** on the local level.

It would seem that most agencies are aware of available funding sources, but surprisingly many agencies are not aware or do not have the expertise or manpower to pursue them. In times of limited resources, it can be extremely valuable to the agency that you are able to identify a potential funding source and walk through the process with the agency after you have “sold” the program. There are certainly other sources of funds, including “innovative financing” techniques, but these are more advanced strategies that will normally not be used just for safety programs.

While this document is not intended to be an exhaustive description of how to obtain funding, it can provide you sufficient information on common funding sources in order that you can select the one that holds the most promise for an agency’s targeted program. Since every jurisdiction will operate a little differently, the most important thing is to dive in, explore the process, and don’t give up...the payoff will be worth the effort.

Following is a brief description of the seven most common funding sources. If one of the sources seems to hold promise, find more detail, including general steps to acquiring the funding. You will also find that gaining a third party “champion”, either outside or inside the agency, can make all the difference.

The two-page format for each funding source is as follows:

- I. Background
- II. Contacts, both internal and external, that will be needed for success
- III. Necessary preparation work
- IV. Application and follow-through

MOST COMMON SAFETY PROGRAM FUNDING SOURCES

1. Increased Agency Budget for Safety Devices

One of the first sources to consider is simply increasing the agency's budget to cover the additional cost of a new safety program. This applies to state and local accounts and to all Safety Programs. The higher the level at which the program is sold, the better the chance that additional funds will be made available for this heightened priority. Since final approval will be required from a higher level in all situations, budget increase requests should not only include the initial costs, but a permanent increased budget to cover maintenance costs in the years to come. This does not normally require a formal application procedure like some of the other sources, so this can be one of the quickest ways to see a Safety Program implemented.

2. Capital Improvement Funds

Almost all jurisdictions will have line item(s) in their budget for general capital improvements. If a program is given a high enough priority, it may be included as a capital budget line item for single or multiple year capital funding apart from the normal highway capital and maintenance budget. The higher the level of support, the greater the chance for approval in the agency's budget. Funds may also be shifted from one capital improvement project to another, as many planned projects can get delayed for various reasons. This can also provide quick funding for a Safety Program as it is absent the application/approval procedure that some other funding sources require.

3. State to Local Funds

For local agencies, highway monies are distributed to the local level from the state DOT (e.g., the NY State "CHIPS" program provides money to local agencies to spend on capital projects. Other states may have a different name, but are very similar). These funds are usually 100% funds, meaning there is no local match required. These funds are usually non-recurring and would, therefore, have to be budgeted yearly or on a multi-year basis. Most of these monies are for capital projects, which require a ten-year life, but smaller percentages of the funds are made available for maintenance items. These funds may be used for Safety Programs if safety is properly prioritized. The amounts of these funds are public record, and you can get it from the local agency or the state DOT. The time required to access these funds is fairly short compared to federal funds that can have a longer application procedure.

4. State and Local Bond

When agency funds are insufficient to cover what is considered priority needs, bonds can be issued by state or local agencies as a means of borrowing money from the public. Traffic products can be incorporated into large transportation projects funded by bonds, or if properly prioritized, can support a separate bond issue itself. This requires buy-in at the very top levels and can take from one to several years to come to fruition.

5. City General Funds

This funding source will by nature only be used by local agencies, but can be used for any Safety Program. Every city has a General Fund. It is important to note that only the Key City decision-makers can access this funding source. If the decision-makers have shown an interest in a specific Safety Program and there is support at a high level, the City General Fund is an excellent funding option. The decision-makers will have a better perspective as to what funds are available and appropriate to fund the specific Safety Program presented, and getting top level priority of roadway safety will be critical to success. This can be one of the quickest sources of funds since leaders have more discretion to use them as they perceive the greatest need.

6. Community Development Block Grant Program (CDBG)

This federal-aid HUD Program is designed to help communities remain competitive and create economic opportunity and provides approximately \$5 billion annually to cities and counties. Targeted Safety Programs for local representatives could include Street Name Signs and School Safety Programs that can either be stand-alone projects or incorporated into larger CDBG projects. The application process can take a year or more, but can help implement new Safety Programs which must then be maintained.

7. TEA-21 Federal Funds

This funding source will be used by local agencies and state districts. The Transportation Equity Act for the 21st Century, better known as “TEA-21”, is the current six-year (1998-2003) Federal Highway funding bill and provides approximately 40% of all funding for highway projects. TEA-21 has six core programs that are designed to give states maximum flexibility in their spending, but certain monies have to be spent on safety. Traffic products are used in a variety of federally funded highway projects, but you do have the ability to get Safety Programs funded as separate safety projects. The most common Safety Programs will be Safety Management Systems and Highway-Rail Grade Crossing Safety Programs. Since most of these projects will take place in urban areas, you must apply for funding through a local Metropolitan Planning Organization (MPO), which administers the federal dollars that come to the state DOT, then down to the local level. Most MPO’s take applications on a two-year cycle and most projects can take from two to four years to complete once the application process begins. Regardless, these projects are definitely worthwhile since they are large dollar projects that can dramatically grow your business.

INCREASED AGENCY BUDGET

I. Background

This can produce results as quickly as any of the other funding sources, sometimes immediately or within a year, depending on the yearly budget cycle. Each government agency customer has an annual budget for signs and markings. Many times you will face the roadblock of insufficient budget to make the improvements. Since all agencies within a jurisdiction are in effect competing for limited dollars, and since there will never be enough money to cover all needs, making roadway safety improvements a priority over other needs is critical to your success. Staff levels will not always take the initiative nor be motivated to ask for an increased budget. Sometimes it just takes asking, with sufficient justification for the program, to make it happen.

II. Key Contacts

Agency Contacts

Since high level authorization will probably be necessary for budget increases, it is recommended that the highest levels possible be sold on the program from the start. The agency contacts that should be involved might include the key city decision-makers, Chief Traffic Engineer, Budget Director and Department of Public Works Director, along with the Sign Shop Managers. These will usually be our customers that are looking to us to help them find a funding source.

Agency's External Traffic Engineering Firm/Traffic Engineer

Many times we will work with a private engineering firm either in selling the program to the agency or as the agency's engineering representative.

"Champions"

It is always a good idea to have an individual or group as a third party Champion of the Safety Program. The more support the more likely the applications approval. This support may come from within the applying agency or from an outside safety group.

III. Preparation Work

Determine the agency and program that will be targeted, e.g. a Safety Management System for Crash City.

Gather supporting data. Along with the Safety Program supporting information, gather local crash statistic percentages, population over 65, photos of poor signs/markings, or whatever local data will support the need for your program.

Prepare presentation. Justification for the increased budget will be key, so the more ammunition you can give the more likely your chances of success. Remember that your ultimate audience is the highest level of decision-maker; therefore, PR aspects may be a critical component in giving your program a high priority.

Determine the budget cycle and when budget increases are considered, including any special procedural requirements for such requests. This information can be obtained from your customer directly or from the budget office. Agency web-sites today are putting more and more of this information online. Allow sufficient time before decision dates to pre-sell the program/upgrade.

Gather grassroots support. Any champions you have to support the program will be very helpful.

IV. Application and Follow-through

Sell the Safety Program FIRST, using presentation material and night demonstrations.

Use your grassroots support, champions, by having them write letters, help with presentations, or gather additional support. This will the need for the program and help establish it as a priority project.

Make a formal request in accordance with agency procedure and far enough in advance of decision-making to make adjustments if needed. Pre-drafting press releases or selling other PR aspects can be very useful at this level. Sample press releases or past articles can help.

Be available to answer questions, or provide additional back-up information/support if requested.

Prepare a plan of implementation to enact once funds are available. Also, suggest ways to track the results for long-term buy-in.

Capital Improvement Funds

I. Background

Local Capital Improvement Program (CIP) funds can be used to fund any Safety Programs that have a legitimate ten-year life expectancy. Anything that has less than a ten-year expected life is usually considered a maintenance activity. Every city, county and state drafts a five-year capital improvement plan that is outlined in the recommended budget for the year. Most jurisdictions will have a line item(s) in their budget for capital improvement that is separate from their highway maintenance budgets. If a program is *prioritized* at a high level, it may be included as a capital line item status for single or multiple year capital funding. The higher level of support, the greater chance for approval in the agency's budget. Funds may also be shifted from one capital improvement project to another, as many planned projects can get delayed for various reasons. These programs can be implemented fairly quickly as long as capital improvement monies are available, safety improvements are considered a high priority, and projects are earmarked accordingly.

II. Key Contacts

Safety Champions

Can be an excellent example of third party support for Safety Programs. These can be from an association outside the governmental agency or can include governmental representatives such as:

The Key City Decision-Makers

Can be helpful in supporting the need for a comprehensive program such as a Safety Management System program or a downtown Street Name Sign Program.

City Transportation Committee Member

Serves on the city council and would have more influence as it relates to a comprehensive downtown transportation safety program.

City Education Director, Public Service Director or School Board Member

Can also influence city hall and city officials in support of a need for a specific Safety Program.

III. Preparation Work

Get a copy of the Mayor's recommended budget for the year. CIP funds are available through the Department of Public Works city budget.

Access the Mayor's State of the City Address to determine priority issues or concerns for the Mayor. Raise the importance and priority of the need for a Downtown Safety Improvement Program, Pedestrian and School Safety Program or other Safety Program by gathering local or national crash statistics. Present these safety needs to the Mayor and key city officials.

Share third party testimonials that reference successes of these outlined programs using CIP funds.

Once the Safety Program has been prioritized for the specific safety improvement program, **identify the funds that are available through the Capital Improvement Plan.** The higher the level of support, the more likely it will have overall approval by the agency.

Creating a line item in a CIP can also be a useful method. Most jurisdictions will have a line item(s) in their budget for capital improvements.

IV. Application and Follow-through

If you don't already have buy-in from the local/state agency, present the program to them in order to gain approvals from the highest levels possible. The use of your champions or consultant may be necessary to raise the importance of this project in the agency's agenda. Night demonstrations are still the most effective selling tool.

Ask that a line item be created for the program within the Capital Improvement Plan.

Be available to testify during the budget process.

Help develop a plan of implementation once the monies are available, and a plan to document results if applicable.

Applications for CIP funding must be submitted in September of each year. Each funding application competes with all types of other projects throughout the city for available funding. Separate citizen and city staff committees review each CIP application and prioritize each project. Generally, significant competition exists for limited CIP funds. The City Council considers these recommendations and approves funding for projects in June as part of the annual city budget preparation process. The City's fiscal year runs July 1 through June 30 each year so look for time of process to be approximately one year.

STATE TO LOCAL FUNDING

I. Background

Targeted programs for local accounts would include any program that can be sold as a capital improvement project (i.e. has a ten-year life), as most of these funds are for capital, not maintenance, activities. Examples would be Safety Management Systems, Street Name Signs, School/Pedestrian Safety, Rail-Highway Grade Crossings Safety, High Risk Roads.

Most State DOT's have a gas tax revenue sharing plan that issues funds to cities and counties for highway maintenance. These funds can be used for any operational or rehabilitation related project. Most importantly, these funds can be used for safety. A majority of these funds are already allocated into the State Transportation Improvement Plan, and much of what we do is incorporate our products and services into future projects. Generally the State matches \$.50 on the dollar for these projects. The local agency would match the State funds. In some case, however, this is 100% funded with no local match required. The contacts have to be strong at the local level and state level in order to capture these funds as there is a lot of competition for these dollars. As with other funding sources, raising the priority of safety and the need for your program will be key to your success.

Some of the Primary System and much of the Secondary System and Urban System are owned and operated by local governments. This is an area that is often untapped. Monies for highway safety often go to the state system or at least the Federal-aid system, but seldom get down to the Off-system roads unless someone pushes the state agency to develop a program to assist the local agencies. For rural road projects, there is growing support by local agencies for more federal safety monies to get to the local roads since this is where most of the deaths are occurring. [GAO Report- Rural Road Safety](#).

II. Key Contacts

State aid liaison to Local Government

This is perhaps the most centrally positioned person in the equation. This position is often "State-aid Engineer" and he/she and their organization is the key link between local agencies and the state roadway authority. Sell them on the FAB's of developing a program to utilize these federal/state funds on local roads (especially Off-system).

Agency Contacts

Since high level authorization will probably be necessary, it is recommended that the highest levels possible are sold on the program from the start. The agency contact that should be involved might include a Mayor, County Commissioner, Chief Traffic Engineer and Department of Public Works Director, along with the Sign Shop Managers. These will usually be our customers that desire safety programs that are looking for help in finding a funding source.

"Champions"

It is always a good idea to have an individual or group as a third party Champion of the Safety Program. The more support the more likely the applications approval. This support may come from within the applying agency or from an outside safety group.

III. Preparation Work

Determine the Agency and the Program that will be targeted Any efforts on our part to benefit these funds will require extensive background work and coalition building. You may have to sell the FAB's of your program all the way from the local agency to the State-aid Engineer to the Division and Regional Administrators of the FHWA and their staff.

Supporting Data Along with the Safety Program supporting information, gather local crash statistic percentages of population over 65, photos of poor signs/markings or whatever local data will the support the need for the program that is proposed.

Find Champions to support your cause.

Prepare Presentation for the Local Agency's Buy-In

Determine the necessary paperwork and procedure for your state. Each state will have different procedures for approval. Some may be as simple as a one-pager simply verifying that funds are being used for a capital program. Your local agency representative should be very familiar with this process as each local agency usually gets a pre-determined amount of these monies to spend each year.

IV. Application and Follow-through

If you don't already have buy in from the local agency, present the program to them in order to gain approvals from the highest levels possible.

If necessary under your state's procedure, assist the local agency in selling the program to the State-aid Engineer and/or FHWA representative.

Submit application (if applicable, every State has different procedures) or get the local agency to list your project on the Transportation Improvement Plan (TIP).

Devise a plan of program implementation with the agency so they will be ready to begin as soon as monies are available.

STATE AND LOCAL BONDS

I. Background

Bond issues, state and local, are governmental long-term borrowing that can be used to supplement various prioritized projects, including highway transportation projects. Bond issues are usually used to raise funds for projects of a special nature, or when the normal budget is not sufficient to meet pressing needs. The time it takes for a bond issue and implementation can be anywhere from one to several years. It is unlikely that a bond will be issued for safety products alone, but projects that have been funded by bonds may be improved by them. Some of the bond opportunities for traffic products are urban development, capital improvements, stadium or arena construction, and transportation bonds. Some of the programs where traffic products fit are Street Name Signs, Wayfinding, and Pavement Markings. Making a Safety Program a part of a larger transportation improvement project will be more likely. Bonds can, however, be issued just for Safety Programs if they are considered a high enough priority and if other funding sources have been explored to no avail. Selling the cost/benefit of safety programs to different agency departments can be a big help here.

II. Key Contacts

Agency Contacts

Since high level authorization will be necessary before an agency decides to issue a bond, it is recommended that the highest levels possible are sold on the program from the start. The city/county contact that should be involved might include the key city decision-makers, and Budget Director. Also include in the loop the Traffic Engineer, Department of Public Works Director and Sign Shop Managers. The state contacts should include the Secretary of Transportation, Chief Engineer, Construction Engineer, Division Engineer, Design Engineer, and Budget Director.

“Champions”

It is always a good idea to have an individual or group as a third party Champion of the Safety Program. The more support the more likely a bond approval. This support may come from within the applying agency or from an outside safety group or individuals.

III. Preparation Work

Determine the Agency and the Program that will be targeted.

Supporting Data Along with the Safety Program supporting information gather local crash statistic percentages of population over 65, photos of poor signs/markings or whatever data will the support the need for the program that is proposed. Selling the fact that the Program should be a priority is a must, so the more backup information provided, the better chance for success.

Prepare Presentation for the State/Local Agency's Buy-In

Find out what major bonds a city or state is issuing and the local procedure for issuing bonds. The procedure will usually require a public vote. You can obtain this information in the finance office or city hall.

Determine what existing projects can be enhanced by Safety Programs or products, or which ones can be created that deserve bond consideration. Sale should be directed at high level planning, political office (mayor/governor), and/or redevelopment office. The Public Works Director or Chief Engineer may also have input or influence.

Sell concepts. Present a solution or an enhancement to the project or program.

IV. Application and Follow-through

If you don't already have buy-in from the local/state agency, present the program to them in order to gain approvals from the highest levels possible. The use of your champions or consultant may be necessary to raise the importance of this project in the agency's agenda. Night demonstrations are still the most effective selling tool.

Offer to help the agency in any way possible within the procedures to develop the scope of the project (will require engineer involvement), develop grassroots support, or gain proper recognition for the project. You may be called on for background information/support, or for testimony at public hearings.

Monitor the progress by staying in close contact with the agency through-out the process.

Help develop a plan for implementation once the funds are available, and to document the results.

CITY GENERAL FUNDS

I. Background

This funding source will by nature only be used by local agencies, but can be used for any Safety Program. Every city has a General Fund. It is important to note that the Mayor or the City Council only can access this funding source. If the Mayor has shown an interest in a specific Safety Program and there is support at a high level, the City General Fund is an excellent funding option. The Mayor will have a better perspective as to what funds are available and appropriate to fund the specific Safety Program presented, and getting top level priority of roadway safety will be critical to success. This can be one of the quickest sources of funds since leaders have more discretion to use them for the greatest perceived needs.

II. Key Contacts

The Key City Decision-Makers

Are key political figures that can make the overall decision to fund a specific transportation safety program. If you present the appropriate safety program to the city and gain priority for the specified program, this is an excellent funding source supported by the Key people.

City Transportation Commissioner or Director, City Traffic Engineer

Can be a great influence on key decision-makers. They are familiar with this type of funding and know the support it needs support from the highest levels.

City Council Members

Can also be excellent proponents and supporters of a Safety Program.

Local Safety Champions

Can provide third party support for Safety Programs.

II. Preparation/Procedure

Gather local crash statistics, or use national statistics, that support the need for the program. You can usually get these from the DPW, Transportation Department, or City web-site.

Prepare a localized presentation to present to the Mayor, City Council, or their staff.

Gather grassroots support, or any Champions you have to support the project.

Pre-drafting press releases or selling other PR aspects can be very useful at this level. Sample press releases or past articles.

IV. Application and Follow-through

Sell the Safety Program FIRST.

Prioritize the program with the key decision-makers

Gain support from The Key City Decision-Makers for the Safety Improvement Plan through night demonstrations.

Ask that a line item be created in the General Fund for the Safety Program.

Develop a plan of implementation that is ready once funds are available, and if applicable a method for measuring results.

In summary, determine the Mayor's General Fund budget for the year. First and foremost, take the lead by selling the appropriate Safety Program and make it a priority for the city. If a program has support at the "grass-tops" level of government the City General Fund becomes an option. Once the program has been prioritized it can then be put in the city budget as a line item. Work with DPW staff on having an implementation plan ready once the monies are available.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

I. Background

Targeted programs for local agencies include Street Name Sign Program, Sign Improvement Program, New Surface Pavement Marking Program, School and Pedestrian Safety Program.

The Community Development Block Grant (CDBG) Program has been the mainstay of the Federal Department of Housing and Urban Development's (HUD) responsibility to help communities remain competitive and to create economic opportunity. The flexibility of CDBG has allowed communities to use it to rehabilitate housing, improve infrastructure, provide job training and expand economic opportunities. CDBG is the eighth largest federal grant program. The largest uses of the funds have traditionally been the provision of public facilities (where traffic products and services can be applied), and the rehabilitation of affordable housing. The funding last year for the program was \$5.057 billion and remains the same for 2001.

Within CDBG, the **Entitlement Communities Program** receives 70 percent of CDBG funds in order to directly fund about 1,000 of the largest local governments, dubbed "entitlement communities." In addition, CDBG funds are allocated the **State CDBG Program**, which provides states with direct grants which they in turn award to small communities.

Entitlement Funds: Recipients of the CDBG entitlement funds include local governments with a population of 50,000 or more, other local governments designated as central cities of metropolitan areas, and urban counties with populations of at least 200,000 (excluding the population of entitled cities).

State CDBG Program: Provides grants annually to 48 states and Puerto Rico. New York and Hawaii chose not to administer the program so HUD makes grants directly to non-entitlement communities in these states through its Small Cities Program. States award CDBG moneys to governments of municipalities which have either fewer than 50,000 residents, or non-urban counties with populations of less than 200,000, and who conduct community development activities.

II. Key Contacts

Planning and Community Development Director

For the city/county or town (this representative actually administers the program itself and is the primary contact that oversees the program spending). The following are other titles of representatives monitoring CDBG funds: Block Grant Director, Director of Redevelopment Authority, Regional Development Coordinator.

Public Works Director and City Traffic Engineer

Can assist you in selling the specified program to the CDBG selection committee.

The Key City Decision-Makers, and Neighborhood Representatives

Can all be helpful in supporting the need for a community enhancement program. They can influence decision-making process and determine the need for a safety program in the city or county.

Safety Champions

Should be developed as third party support for our programs.

All states have a local HUD representative that oversees the CDBG grant program. See the attached [National Community Development Membership Directory](#) for the representative in your area.

III. Preparation Work

Determine CDBG meeting location. Attend CDBG budget meeting to determine the grant amount available for Safety Programs and to gather additional information on the program process.

Determine the Mayor's recommended budget overview for the year. You can find the proposed CDBG budget, which is a part of the overall city budget, on the city's web site. See [FY2001 Formula Program Allocations](#) for the cities/counties in your territory.

Determine need; gather local statistics for support.

Prepare Safety Program presentation for CDBG local coordinator.

Gather support for the Safety Program by Executive offices, DPW, sign shop, third party support. Safety Programs that classify as "community enhancement" or "neighborhood revitalization" programs include a downtown street name sign program or pedestrian and school safety program, to name a few.

Meet with HUD/CDBG office (Regional Development Coordinator) in order to outline specifics of Safety Program and program eligibility. You will also want to work with your DPW or City Traffic Engineer in order to help implement and move your project through the decision-making process. The CDBG representative will know what amounts are available for a Comprehensive Neighborhood or Community Revitalization Program (CDBG funded program) to which Safety Programs can be applied. The state also publishes allocation amounts available for these Community Revitalization funds.

IV. Application and Follow-through

The planning process for distribution of CDBG funds begins with the city receiving notice of its allocation amount from HUD. City neighborhoods may request funds to spend on their improvements, but these requests must be accompanied by an action plan that has broad neighborhood involvement and support. After the city prepares this Consolidated Plan, the city undertakes an extensive process of public hearings in order to ensure public support and confidence for the planned expenditure of these funds. Public hearings are a requirement under the HUD planning process. Also, cities will often make informal geographical allocations with the community in order to ensure City Council support for the programs. After the plan has been finalized, it is submitted to HUD for approval.

Once approved, the Consolidated Plan forms the basis for the use of the CDBG funds. There is always significant competition within communities for CDBG funds.

- 1) **Comprehensive Plan is developed and finalized**
- 2) **Plan is presented at Public Hearing**
- 3) **Length of process time is approximately one year**
- 4) **Provide follow-up as needed/requested**

Eligible activities for both entitlement community and the state CDBG programs include, but are not limited to, the following:

- 1) **acquiring real property for program purposes;**
- 2) **reconstructing or rehabilitating housing or other property, from homeless shelters to single family homes, to playgrounds and shopping centers;**
- 3) **building public facilities and improvements such as streets, sidewalks and water systems;**
- 4) **aiding welfare-to-work activities;**
- 5) **assisting for-profit business for special economic development activities providing public services for youths, seniors or the disabled, including transportation; and**
- 6) **carrying out crime reduction initiatives.**

Application for Safety Improvement Programs (specifically traffic signing and pavement markings) fall under No. 3 as highlighted above under the interim assistance category. All Safety Programs can be tied into community enhancement, neighborhood revitalization or city/county beautification programs. These funds can be used for permanent sign installation **only**, not for repair or temporary sign placement, which is considered maintenance.

Application, prioritization and approval of these funds follow a similar process and time schedule as the Capital Improvement Program (CIP) process. (see CIP application process).

TEA-21 FEDERAL FUNDS

I. Background

Targeted Programs: Safety Management Systems, Street Name Signs, School/Pedestrian Safety, New Surface Pavement Markings, Rail-Highway Grade Crossings Safety, High Risk Roads.

This funding source will mostly be used by local agencies, although state districts may also apply for these funds. The Transportation Equity Act for the 21st Century, better known as “TEA-21”, is the current six-year (1998-2003) Federal Highway funding bill and provides approximately 40% of all funding for highway projects. TEA-21 has six core programs that are designed to give states maximum flexibility in their spending, but certain monies have to be spent on safety. Traffic products are used in a variety of federally funded projects, but you do have the ability to get Safety Programs funded as separate safety projects. More specifically, they can be used for projects that eliminate dangerous road conditions, which all Safety Programs do.

The best chance for success is in making application for Safety Management Systems under the Surface Transportation Program (STP Program) under the Section 152 Hazard Elimination Program (or Section 130 Highway-Rail Grade Safety monies for crossing improvement programs). Approximately \$300 million is available each year under Section 152 and is distributed by formula to the states. One of the items eligible for funding is “safety improvements” which by definition includes signs and pavement markings. If desired, an agency could make application for a Street Name Sign Improvement Program or a School Safety Program; however, it is recommended that you apply for a larger Safety Management System program, as this can be a long term project and the average dollar amounts of approved projects are in the millions of dollars (many MPO’s have a minimum of \$500 thousand before a project will even be considered). There is always a “local match” that is required, usually 20% of the cost of the project by the applying agency, but with four-to-one federal dollars paying for the program, it makes sense to go ahead and ask for a larger project.

There is heavy competition for these monies so convincing the local agency to prioritize safety is one of the first steps that will need to be taken. Since most of these projects will take place in urban areas, you must apply for funding through a local Metropolitan Planning Organization (MPO), which administers the federal dollars that come to the state DOT, then down to the local level. Most MPO’s take applications on a two-year cycle and most projects can take from two to four years to complete once the application process begins. These projects are worth the effort though since they are large dollar projects that can dramatically grow your business. Although TEA-21 ends in 2003, it is expected that this program, or something very similar, will continue in the next highway-funding bill.

IV. Key Contacts

Agency Contacts

Since high level authorization will probably be necessary before an agency makes an application for funding it is recommended that the highest levels possible are sold on the program from the start. The agency contact that should be involved might include a key

local decision maker, Chief Traffic Engineer and Department of Public Works Director, along with the Sign Shop Managers. These will usually be our customers that are looking to us to help them find a funding source.

MPO Representative

Each MPO has staff that will be able to help answer questions concerning priorities and procedures, forms and timelines. Contact will also need to be made with members of the MPO board who will review and make final decision on all applications. Gaining their buy-in on these projects can be a critical step in the process.

“Champions”

It is always a good idea to have an individual or group as a third party Champion of the Safety Program. The more support the more likely the applications approval. This support may come from within the applying agency or from an outside safety group.

V. Preparation Work

Determine the Agency and the Program that will be targeted- e.g. a Safety Management System for Crash City.

Gather Supporting Data- Along with the Safety Program supporting information, gather local crash statistic percentages, population over 65, photos of poor signs/markings, or whatever local data will support the need for your program.

Prepare Presentation for the Local Agency’s Buy-In

Find the local MPO that covers the agency’s territory and determine who on the MPO staff could answer your questions concerning forms, timelines, funding priorities, etc. by contacting the local MPO. List of MPO’s.

Get the MPO’s Initial Project Proposal Form (IPP) and the Safety Management Systems form.

You may want to fill in the blanks on these forms for your targeted local agency. This will serve as examples of what can be used in the MPO application process. You can then use this also as part of your local agency presentation.

If you don’t already have buy-in from the local agency, present the program to them in order to gain approvals from the highest levels possible. Some cities or counties may require a Board or City Council Resolution before proceeding. If the agency has a “grant writer” they should be involved in this process. Otherwise, you will be acting as an “unpaid grant writer” for the agency in walking them through this process.

- A. Ask agency representatives for a joint meeting with the MPO staff or directors.** This initial meeting can be critical in the process of gaining valuable information on priorities set by the MPO Board on procedures and deadlines for applications, as well as initial buy-in from staff or higher levels of the MPO. Any “champions” should also attend this meeting. Getting early direction can save valuable time in the process, and can prevent having to make major changes later in the process.

- B. Gather or get a copy of the local MPO application form** and advice on any supporting documents that will be needed during the process.
- C. You may be asked for a short presentation of the program and may receive initial resistance because sign and pavement marking programs are often viewed as “maintenance” items.** You should have available the supporting TEA-21 language that states these projects are eligible. Even more important, you will need to help the MPO realize the need to prioritize safety and spend the Section 152 monies in the most cost-effective manner possible (For example, all products that have a very high cost/benefit ratio and can really help reduce crashes). Citing goals of FHWA or AASHTO to reduce injuries and fatalities by specific numbers can be helpful (FHWA – 20% by 2008, down to 35,000; AASHTO- reduce 5,000 deaths by 2004).

VI. Application and Follow-through

Submit the Completed Application Form to the MPO in a Timely Manner

Monitor the application process with MPO staff

Provide back up documentation as needed/requested.

Make sure the local agency has budgeted funds to expend on this project. Some agencies have found setting up a revolving account is most efficient since this is a reimbursement program. This way monies can be spent, then reimbursed, and so on. They must also budget for the local 20% match, although the FHWA is very flexible on what they consider “soft” matches. Many times monies that were already going to be spent on this project can be applied towards the 20% match e.g. purchase of materials; employee salaries/benefits for work on this project, outside engineering fees, etc.

Devise a plan on how to implement the program with the agency so they will be ready to begin as soon as monies are available.